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IMPERIAL AMERICA

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THE CURE FOR POVERTY

BY
JOHN CALVIN BROWN

MR. JOHN CALVIN BROWN, after many years of heavy commercial experience in England, in the United States, and on the Continent of Europe, reviews intimately and in straightforward language the most burning National Reforms of this country and of the United States. This narrative is made good reading even for the non-student of National and Industrial affairs by the very large number of apposite stories interspersed among the plain arguments of the book, so that from cover to cover it reads like a most clearly instructive, yet spicily humorous after-dinner speech.

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DR. WOODROW WILSON, 28TH PRESIDENT OF THE UNITED STATES
OF AMERICA.

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[Frontispiece.]

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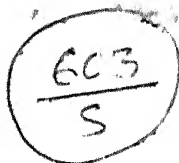
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IMPERIAL AMERICA

BY
J. M. KENNEDY

AUTHOR OF
"TORY DEMOCRACY," "ENGLISH LITERATURE (1880-1905)," ETC.



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WITH 29 ILLUSTRATIONS IN HALF TONE AND 8 MAPS



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INTRODUCTION

It is a tendency of this as of every age to be carried away by catchwords. Not all our bad intellectual qualities are of modern origin and development; every historical period has had its honourable statesmen and its rascally place-hunters. On the other hand, there is one characteristic peculiar to the present time—namely, that larger numbers of people can now be carried away by catchwords than formerly. Our hitherto inert masses, rural and urban, are moving; and that is the significant fact of modern times. The helots were little stirred by the reasons, chiefly economic, which resulted in Sparta's heading an earlier confederacy than America witnessed; and the number of Englishmen who were really interested in the Marprelate Controversy was not so large as the historians of sixteenth-century England would make it appear.

Patriarchalism, feudalism, the leadership of aristocratic families—these were some of the factors that formerly prevented the masses from becoming prominent. The influence of such factors is now at an end. It may be suspended merely; or it may be extinguished for ever. At all events, we must recognise that it does not at present exist as an active force.

The consequence is that the catchwords of political idealists, principles that correspond to no reality, may have the effect of soporifics or dangerous drugs on any nation or any part of a nation that may

absorb them. The hitherto unthinking masses have broken away from their former leaders, and are a prey to any political quack who wishes to deceive them ("behold, my son, with how little wisdom the world is governed"), or of any well-meaning, but untrained thinker the outcome of whose misdirected efforts may be equally disastrous to the well-being of the State. The period of the French Revolution is particularly rich in examples of both these types of men.

Four beliefs, which are very closely connected, have made considerable headway throughout the English-speaking world in recent years. One is that war is barbarous and inhuman; the second, that wars are coming to an end; the third, that all disputes can be settled by arbitration; and the fourth, that whether wars are coming to an end or not, there can never, by any possibility, be an armed struggle between England and the United States, because—as it seems to be generally assumed—the two nations are "brothers," or "cousins," or are connected by some more or less distant ties of blood, and because there has now been one hundred years of peace between them.

Among people whose minds are virile and healthy, such conceptions as these are naturally regarded with some amusement. The psychology of the eccentric folk who form such notions is, no doubt, an interesting subject; but a detailed examination of it is not relevant to the present work. My object in writing this book is to give an account of the development of the United States of America, particularly from an economic point of view; to show how its tendency has, from the very first, been what we

should now call imperialistic ; to point out that the United States, when still an infant nation, with hundreds of thousands of acres lying untilled within its own borders, bought or occupied land wherever an opportunity could be found for doing so, and to make it clear that this is a tendency which has not yet reached its goal. So far back as 1867 the United States definitely expanded beyond her natural borders by purchasing Alaska from Russia ; sixteen years ago she took possession of a few islands in the Caribbean Sea after the war with Spain, and she took over at the same time the Philippines and Hawaii. Little more than a decade ago the United States laid Nicaragua under such financial obligations as to leave her no longer an independent country ; and quite recently the Monroe Doctrine has been interpreted in such a way as to make it appear that the United States intends to assume the responsibility towards Europe for the whole of the Central and Southern American republics.

Why should this activity be displayed with such comparative suddenness ? " I'm not one o' those who can see the cat i' the dairy, an' wonder what she's come after," says one of George Eliot's most delightful characters. The possession of as clear a mind as Mrs. Poyser's would do many of our public men no harm. The financiers who are at the back of every American administration, democratic or republican, are developing and expanding the area of their control, because it is only since the beginning of the present century that they have realised what the commercial possibilities of Central and South America are. I say, with the knowledge of my personal observation to guide me, that it would be worth while for the

United States to risk a war with any Power in order to retain undivided control over the Central and Southern American oil-wells alone; it would be economically profitable (Mr. Norman Angell's spruce and dainty theories notwithstanding) for the United States to go to war for the sake of securing control of the Argentine wheat and meat output, the Brazil coffee plantations, the nitrate beds of Chile, the mineral wealth of Peru, and in fact of the vast commercial possibilities to be found everywhere in the southern continent. These things are commercial prizes which defy description: the figures which I quote in connection with the Argentine trade may enable the reader to realise what the wealth of South America now is and what it may become.

Considering that the history of the modern world is as much as anything else a history of the struggle for wealth—*i.e.* for markets—it seems to me ridiculous to suppose that in another generation or two, when the pinch of poverty will be felt in Europe even more than it is to-day, the nations of the Old World will be content to see these rich lands of South America pass entirely into the control of the United States. The United States, if she can possibly manage to secure control of them, will not let them pass out of her hands without a struggle. The struggle will be fought round the Panama Canal, for the Panama Canal is as essential to these markets as the Suez Canal is essential to the defence of India—and not only to the possession of these markets, but to the strategic position of the United States.

If, however, we realise that war is as likely to break out as not when the competition for the new markets becomes acute—remember how on several

occasions the Powers were nearly plunged into war over Morocco and over the Baghdad Railway—we must bear in mind also one further consideration. What will happen if the United States insists on her latest interpretation of the Monroe Doctrine; if she insists that no European Power shall be allowed to take any part in Central and South American affairs? The financial interests of this country in South America, as I have pointed out in the course of the book, amount to nearly one thousand million pounds, and they are increasing in value. Will it be supposed for a moment that, if that huge amount of capital be risked or threatened, the English Government of the time will not be compelled to interfere whether the United States pleads the Monroe Doctrine or not? We know, of course, that any English Government would be bound to interfere; and, if the interference were not peaceful, that would not be our fault. It was the American Senate and not the English Parliament that rejected the arbitration treaties in 1912; it is the American Senate which has always shown itself hostile to arbitration, if arbitration appeared even remotely to menace American interests; it was the American Senate that strongly supported Cleveland when he threatened, in sufficiently precise terms, to go to war with us so recently as 1895 over the question of the Venezuelan boundary. It was the American Senate, again, that strongly resented the British protest over the Panama tolls question; and it was the American senators who said, as the newspapers reported at the time, "The canal is ours, and we will do what we like with it."

This is the answer to the repulsive cant of arbitra-

tion, brotherly love, and so on which has filled the air recently at meetings of various types of peace societies, and has even invaded those portions of our newspapers and periodicals reserved for leading articles. The truth is this: that the population of the United States is at the present moment a composite mass of heterogeneous elements collected from all parts of the world, with English as the mother tongue of only 31 per cent of the people, and German of 27 per cent; that there are no bonds, except the bond of a language which has become debased in America, between the United States and ourselves; that the bulk of the people contemplate us, when they take any interest in us at all, with dislike rather than friendliness; that the views of self-appointed "committees" and "societies" cannot be taken as representative of the whole of that vast community; and that we are just as likely to have a war with the United States as with Germany, when once the value of the Panama Canal is realised and when the designs of the Americans, with the canal as a basis, are realised also.

This will explain why, in the following pages, emphasis has been laid on the economic development of the United States and on the relations between the United States and European Powers. At no time have those relations been distinguished by the tact, urbanity, and courtesy for which we are unthinkingly inclined to give Americans credit. It is not sufficiently well known here that the opinion held of us by the Americans is very different from what we believe it to be. The American schoolboy is not taught, for example, that Great Britain prevented European intervention against the United

States at the time of the war with Spain, and on other occasions as well. We have chosen to overlook the fact that, at the time of the consolidation of the Canadian provinces into one dominion, the United States Congress discussed a resolution protesting against "such a vast conglomeration of American states established on the monarchical principle in contradiction to the traditionary [*sic*] and constantly declared principles of the United States and endangering their most important interests." We do not remind these "cousins" of ours that time and again several European Powers have endeavoured to form an alliance with a view to curtailing the influence of the United States in the southern continent, and to rend in pieces that diplomatic instrument known as the Monroe Doctrine, which Bismarck called "an international impertinence." We have prevented the formation of such alliances; but it never occurs to the average American that in the past the Monroe Doctrine has remained a diplomatic weapon only because at various times Great Britain passively defended it in Europe.

In a word, this book shows an aspect of American development and American relations with us which, if less seductive and tender than that held up to us by the peacemongers, is certainly more manly and more in accordance with reality.

I am greatly indebted to Mr. S. J. Glanville for his assistance in seeing the book through the press.

J. M. KENNEDY.

LONDON,
June, 1914.

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IMPERIAL AMERICA

CHAPTER I

The New England Colonies—Disputes with the mother-country—
Franklin and Washington—Questions of taxation—Causes of the
Revolution.

WE are so much inclined to associate Puritanism with a bitter religious struggle that we are perhaps too prone to overlook other aspects of this movement. Even when every allowance is made for high religious motives, the fact remains that there was a considerable element of the typical Englishman in those quiet agitators with the high hats, the close-cropped hair, and the nasal utterance. The struggle which displaced Charles I was due not so much to his "tyranny" and "oppression"—although these alleged evils formed a convenient excuse for his execution—as to the resentment of the manufacturers of the time at the interference of the King and his advisers in their incipient exploitation of the craftsmen and the working classes. Even the theoretically high principles of modern Liberalism, the lineal political descendant of the Puritan movement, appear to go very well with the oppression of the lower orders, expanding trade, and the protection of the large employing interests. Such deviations between principle and practice may be inevitable;

they may even be quite excusable. It is sufficient for us to note that they do exist, that a seeker after religious freedom could and did possess the gift of driving a hard bargain, and that we should have heard less about Cromwell if he had not been well financed by the Williams family—a transaction which has still to be fully explained.

The spirit of commercial enterprise which distinguished the English people at all times, as much in the reigns of John and Elizabeth as in the reign of Queen Victoria, seems to me to have been the most important factor in the development of the United States of America. It was associated with other traits which have always distinguished the English people, and characterised the Puritan settlers in America only in an exaggerated degree—viz. respect for the freedom of the individual and for freedom of conscience, and no lack of readiness to have recourse to arms when the cause was thought worthy. From the earliest times of colonial settlements it followed almost inevitably that English thought, religion, customs, and beliefs predominated in North America. There is hardly a part of the world in which we cannot find tributes to the initiative, the courage, and the ruling power of the English people; but the difficulties which our pioneers had to encounter and overcome in countries like Australia and South Africa were trifling compared with the obstacles with which they met in America. India affords, perhaps, the best comparison. The early settlements in Virginia, Maryland, and New England were threatened by the Spaniards, the French, and the Dutch—not to speak of the Indians, who threatened all the invaders. There was also, it is true, a small

Swedish colony under the name of New Sweden, but it was absorbed into the Dutch colony of the New Netherlands in 1655; and the New Netherlands colony was itself absorbed by New England so far back as 1664. Still, the French possessions at that time stretched from French Florida, south of Virginia, to the St. Lawrence, and the vast belt of territory known as New France appeared to be cut off from the Atlantic only by a narrow strip of land on the coast-line, occupied by the English colonists.

Whatever may be urged against the Puritans, it is impossible not to admire the solidity of character which enabled them to thrive in the stubborn soil and in a climate which they must certainly have found very far from ideal. It is fair to say that the Swedes, the Dutch, the French, and the Spaniards who went to America were spurred on by the desire for adventure and by the hope of making untold gold. With the records of Virginia and Maryland before us, it would be futile to endeavour to show that many English families did not cross the Atlantic with the same object. It is true, nevertheless, that the New England colonists, as a body, felt that they had been driven from the home country by religious and political persecution. This is an attitude which must be emphasised; for it communicated a cast of thought to the children and grandchildren of those colonists which has subsisted to the present day. It is a cast of thought found among classes of people as far away as New Mexico and California—people who have never heard of Hugh Peters and hardly know the difference between the *Mayflower* and the *Alabama*.

In the latter part of the seventeenth century and

the early part of the eighteenth the English Colonies in America continued to flourish, despite occasional outbursts of fanaticism on the part of the Puritans, which ill coincided with their principles. They exercised on others the severities of the religious persecution to which they had been subjected themselves; and the execution of Quakers and the burning of witches were common occurrences. Numbers of suitable emigrants were "rejected" (*i.e.* imprisoned or transferred from state to state) because they could not see their way to share the religious beliefs of the earlier settlers, so that the policy of exclusion on account of "moral turpitude" is by no means a twentieth-century innovation. The most important feature of English colonial life at this time, however, was its sound economic condition. While the Dutch colony was overrun with poverty-stricken emigrants, for whom the local authorities could not provide, and while the French possessions were suffering under a bad administration, the New England communities were prosperous. Schools were numerous, and even "Latin Schools" were to be found in the villages. Some form of culture—austere and narrow, it is true, but still culture—was aimed at and achieved. A territorial acquisitiveness accompanied this learning and prosperity. North Carolina was occupied in 1628, South Carolina, formerly the northern portion of French Florida, in 1663, Georgia in 1728. After little more than a generation, in 1763, East Florida was ceded to Great Britain by Spain and West Florida by France; and in 1763 also France parted with a large tract of Louisiana to Spain. These territorial changes benefited no one but England. Two generations more saw the end of French and Spanish power



THE OLDEST HOUSE IN THE UNITED STATES: SANTA FE, NEW MEXICO.



BURRO ALLEY, SANTA FE, NEW MEXICO.

The oldest town in the United States, settled by the Spaniards early in the seventeenth century.

in the country which we now call the United States, though the social and cultural power of the French in Canada has never been broken.

The early English emigrants to America brought with them another characteristic which has ever since been a feature of the new country. The innumerable little groups of fanatics who figure in "Hudibras" carried their ideas and their activities to the Colonies, and the punishment meted out to them in America was certainly no less severe than that visited upon the Puritans in England. It is difficult for us at the present day to read with patience about the hanging of those Quaker women who, driven mad by persecution, ran half naked through the chief towns of Massachusetts and goaded their persecutors to ferocity by insisting up to the last that they heard heavenly voices sounding in their ears and whispering their prophetic office. For such brutality, however, there was more than enough precedent in the notorious cases of men like William Prynne, who was not only branded, exposed in the pillory, and condemned to suffer the loss of his ears, but subsequently suffered the loss of such stumps of his ears as the executioner had left him on the first occasion. The doctrine of freedom of conscience, which at first seemed only a hopeless ideal, was later on applied in practice; but, as persecution always engenders extremists, it is not surprising to find that the religious freedom of later generations was abused by such odd sects as the Free Lovers, the Shakers, and the followers of the Prophet Dowie.

The time came when the aggressive, vigorous Puritan communities of Massachusetts were united in more than religion with their less advantageously

situated brethren elsewhere. Before the first quarrel with the mother-country, there had been various symptoms of disaffection which should have been a sufficient warning to any ruler or statesman. In 1634 Archbishop Laud was appointed as the head of a Commission of twelve to supervise the affairs of the Colonies; and the rumour that a Governor-General was being sent out to them so greatly alarmed the settlers that they appointed military commanders to safeguard their rights, by force if need be. There was no open rupture, but a further conflict was brought about in the year 1675, and lasted for some considerable time. In that year the administration of the Colonies was entrusted to a Commission of the Privy Council, and this Commission vested in officers appointed by the Commissioners of Customs the duty of carrying into effect several Acts of Parliament relating to the Colonies which had been passed during the preceding fifteen years. The chief features of these Acts were that trade with the Colonies was to be carried on only by English subjects and in English ships; duties were imposed upon inter-colonial trade; and the Colonies were restricted to certain specific ports, to which they were permitted to consign their exports, and whence they might draw their imports. The Navigation Act of 1660 was the most important of these measures, and led to much discontent, particularly in Virginia. This feeling of unrest, having smouldered for some years, broke out into open rebellion in Virginia, nominally against the Poll Taxes, in 1676. The leader of the revolt against the Government was Nathaniel Bacon, a descendant of the philosopher; and "Bacon's rebellion," though it was soon ended by the death of

its leader, who caught fever on the marshes of Jamestown, showed what might be expected of the American people if oppression from home went too far. The extraordinary cruelty of Governor Berkeley, on the other hand, was hardly representative of the measures which King Charles wished to be adopted towards his complaining colonists.

In the north Massachusetts was also in difficulties. The first Restoration Government did not seem inclined to renew the Massachusetts Charter. The town of Boston had made remarkable progress—so much progress, indeed, that the merchants of England became envious, and insisted on a more rigid interpretation of the Navigation Act. It appeared that the Boston merchants had accumulated a large amount of capital, and that, with ships built in their own yards, they had started a regular shipping service with the southern Colonies, taking to them various manufactured goods imported from Europe, and receiving in exchange sugar, tobacco, rum, and similar tropical products, which they sold on the Continent of Europe, together with their own northern products of fish, lumber, furs, etc. In this way the home merchants found their trade interfered with, and saw New England benefiting from a large amount of commerce which might otherwise have helped to increase their own profits. The political influence of the English trading classes at this period is seen in an Act of Parliament passed in 1672, which imposed on the transit of specified articles from one colony to another the same duty as would be payable on those articles if imported into England. In order to make certain that these dues would be collected, the Act authorised the establishment of royal custom

houses in America under the superintendence of English Commissioners of Customs.

All this naturally led to a series of controversies between Massachusetts and the Crown. The Crown finally threatened to withdraw the Charter. The Massachusetts judges, after having considered this threat, arrived at a very ingenious solution of the difficulty into which it had put them. They laid down the principle that the Navigation Acts were an invasion of their legal rights, since the colony was not represented in Parliament; but, in order to safeguard their Charter and to put themselves right with the Crown, they passed an Act of their own, giving the disputed Acts legal sanction. For a time the English authorities made no response to this move; but by 1683 the pressure at home had become too strong and the Charter fell. Rhode Island and Connecticut also lost their liberties, and in 1685 Sir Edmund Andros, "a poor Knight of Guernsey," landed at Boston with powers to act as Captain-General and Governor-in-Chief of all New England. The Commission granted him practically despotic powers, which he never hesitated to use. His orders were that colonial printing presses were not to be tolerated, and that episcopacy was to be encouraged. It was inevitable that two such drastic changes should lead to trouble in Puritan New England. The Governor and his subservient counsellors at once proceeded to establish an arbitrary government. Schools were allowed to fall into ruin; town meetings were forbidden; voting by ballot was strictly prohibited; and the unfortunate colonists were ground down by extortionate taxes, a large proportion of which went into the pockets of the new local

governing authorities. Further charters were withdrawn from towns wholesale, municipal records were destroyed; municipal by-laws were in some cases vetoed and always slighted; no property deed was taken into consideration; and the favourites of the Governor took possession of whole estates. Common lands were appropriated; and juries were "packed."

This state of things was not confined to Massachusetts. In 1687 the same tyranny was exercised on Rhode Island, Providence, and Connecticut. Eastern Maine was, in the words of the Governor's own secretary, pillaged by officials who were "as arbitrary as the Grand Turk." New York, it was complained, had been "squeezed dry" by Governor Dongan, so that there was nothing left there for the newly appointed Commission.

Innate respect for law and order prevented the stubborn colonists from adopting at first the drastic measures which appeared to be necessary to free them from the oppression of their new rulers; but the exactions became so unbearable that plans for a revolution were being freely spoken of when, on April 4th, 1689, a messenger brought to Boston the news of the flight of James II and the proclamation of William of Orange. The messenger was at once seized and imprisoned, but not before his information had been made public and had begun to spread. A fortnight later, on April 18th, the town of Boston rose in revolt. The commander of an English frigate in the harbour, the *Rose*, was made prisoner as soon as he stepped on shore, and the sheriff, who had hastened to the quay to quiet the crowd, was also secured. The Governor withdrew to the fort and tried to parley with the people; but he was not

listened to, and his attempt to escape was frustrated. The castle, the fortifications, and the frigate itself were occupied by the townspeople. These proceedings had been quiet and rapid and very thorough. Every town in the colony, amid a burst of enthusiasm which spread to Plymouth, Rhode Island, and Connecticut, and even to New York, voted for the establishment of the régime as set forth in the original Charter, and on May 22nd the representatives of Massachusetts had once more assembled in general court. The people made haste to celebrate the downfall of their tyrannical governors, the accession of the new king, and the summoning of a Free Parliament. They, or rather their children, were to learn, in due time, that the "Free Parliament" was merely to represent a commercial despotism such as had compelled the Restoration Government to pass the Navigation Acts.

Very soon after the revolt against Governor Andros had broken out in Boston, Jacob Leisler led an agitation in New York to demand the proclamation there of William and Mary; for the Stuart Governor Nicholson refused to recognise the new sovereigns. Leisler, in command of his trained bands, took possession of the fort. In consequence of the representations of Governor Nicholson, no specific authority was conferred on Leisler, who, nevertheless, declared his intention of acting as Governor. His administration was distinguished by one very memorable event. The French, aided by their Indian allies, had unexpectedly become active, and Leisler, on May 1st, 1690, called together the first Congress of the American Colonies "to prepare offensive and defensive measures against the French in Canada."

The southern Colonies refused to take any part in the proceedings, but Massachusetts, Plymouth, Connecticut, and Maryland responded to the invitation. Soon after this Henry Sloughter was appointed Governor of New York, but Leisler refused to give up his office. Blows followed arguments, and Leisler, with one of his chief supporters, was executed. His death incidentally coincided with the end of Dutch law in New York and the complete introduction of English rule.

Wars with the French and the Indians, and a series of quarrels between the inhabitants of the Colonies and the Governors, withdrew attention from the burdens of taxation and the economic and political conditions with which the colonists were expected to be satisfied. They were reminded of these things, however, when the British Government resolved to send an expedition against the French in Canada in 1745. After the capture of Louisburg, Governor Shirley, of Massachusetts, submitted to the Duke of Newcastle a plan which indicated that the men necessary for this expedition could be raised from among the colonists themselves. Newcastle, apparently, was willing to agree to the proposal; but the Duke of Bedford, who was then at the head of the Navy, expressed alarm at the "independence it would create in those provinces when they shall see within themselves so great an army possessed of so great a country by right of conquest." Bedford's arguments prevailed, and it was decided to send an English army instead, though the Colonies were told that they might raise levies to operate in the rear against Montreal.

A British squadron, while the plans of campaign

were being discussed, put into Boston Harbour. Commodore Knowles found himself short of men, and thought that a convenient way of getting more would be to send a press-gang into the streets of Boston to bring away as many peaceful citizens as it could find. Several inhabitants were actually carried off. As soon as this outrage became known, the infuriated townspeople rose in a body, and, by way of preliminary revenge, seized several naval officers whom they found on shore and made it known that they would be held as hostages until the pressed citizens of Boston were released from the warships. Then they surrounded the town hall, where the court was sitting; and Governor Shirley, after having vainly attempted to appease them, decided to call out the militia. The militia refused to obey his orders, and the alarmed Governor thought it prudent to take refuge in the castle. From this place of safety he wrote to the commodore, urging that the men should be returned to the town. Commodore Knowles, on the other hand, offered to send a squad of marines to uphold the Governor's authority. At this point influential Bostonians intervened, and a settlement was arrived at. The pressed men were freed and the officers rejoined their ships. The statesmen who had listened to the Duke of Bedford's warning about the feeling of independence created in the Colonies by a large army did not see the moral of this insignificant insurrection.

This new war, it may be added, was begun for purely economic reasons: the English merchants interested in trans-oceanic trade wanted to force a struggle with Spanish America. The conflict spread to Flanders, and finally to India, and was not settled

until the British concluded the Peace of Aix-la-Chapelle, on October 8th, 1748. In less than six years from this another war had broken out in America. It was also an economic war, but it was of special significance in that one of the contending parties was the English community in America. One thing had been left unprovided for in the Peace of Aix-la-Chapelle. The boundaries of the French and British possessions had not been definitely settled, and trade disputes and claims to territory continued to be sources of annoyance and anxiety both to the British Government and to the Colonies immediately concerned. The French held—their pretensions were based on the discoveries of French explorers—that they were entitled to the land occupied by the waters flowing into the St. Lawrence, the Mississippi, and the Great Lakes, as well as all the territory watered by the Mississippi and its tributaries. The French pointed to very tangible proofs of their claims in the shape of a long chain of forts connecting their early settlements on the St. Lawrence with their more recent acquisitions on the Mississippi. Arrangements had been made to strengthen these defences when, in 1750, a number of Virginian gentlemen, including Laurence Washington, the grandfather of George Washington, formed the celebrated "Ohio Company" and applied to the British Government for an Act of Incorporation and a grant of 600,000 acres of land on the Ohio River. Their application was granted.

As the new Company at once began to trade with the Indians, the anger of the French was aroused. Complaints were received by the authorities of the

States of New York and Pennsylvania from the Marquis Duquesne, the Governor of Canada, who threatened to seize the traders. This threat was actually carried out. The French soldiers pillaged and burnt an Indian village the inhabitants of which persisted in trading with the Ohio Company. Moreover, several English merchants and their goods were seized, and the chain of forts was considerably increased in strength.

Counter-measures were at once taken by the colonists. Levies were raised, money was voted, and the great French war began in 1754. George Washington—then a young man of twenty-two—played a prominent part in it. These proceedings, however, were not unnoticed in Great Britain, and it was proposed by the Cabinet that the Colonies should form some sort of league or union among themselves for their mutual protection. With this object a Congress was summoned, and met at Albany, New York, in June 1754. The delegates present represented New York, Rhode Island, New Hampshire, Connecticut, Maryland, and Massachusetts. A plan of union which had been drawn up by Benjamin Franklin was discussed clause by clause.

This plan of Franklin's, which admittedly owed something to an earlier document by William Payne, proposed that a central government should be established for the American Colonies, the administration being represented by a Governor-General nominated by the Crown and a Council of forty-eight members representing the various provinces, and "having the power to levy troops, declare war, raise money, make peace, regulate the Indian trade, and concert all other measures necessary for the general

safety, the Governor-General being allowed a negative on the proceedings of the Council, and all laws to be ratified by the King." The scheme put forward was agreed to almost unanimously, and then (the delegate from Connecticut alone objecting to one detail—viz. the Governor-General's proposed veto) it was signed, curiously enough, on July 4th, just twenty-two years before the signing of the Declaration of Independence. This plan, however good or bad it might have been in theory and practice, was not proceeded with. In the opinion of the King's advisers it conferred too much power on the colonists; in the opinion of the colonial assemblies, which the delegates were representing, it conferred too much power on the King. The convention was, nevertheless, of great interest for two reasons: it showed that unanimity might in the long run be achieved by some such assembly, and it was an acknowledgment on the part of England that the quarrel with the French in America concerned not merely the mother-country, but a new nation—a nation of Englishmen beyond the seas. For the French war had broken out in the first place between the colonists and the French-Canadian province, not between Great Britain and France.

Scarcely was it known in England that the deliberations of the assembly had come to nothing when further plans were suggested for raising funds to pay for the war. The plan most in favour was that England should furnish the necessary funds and reimburse herself by taxing the colonists. This scheme, however, was very strongly opposed in America, Massachusetts being, as usual, the state in which the strongest objections were made. The

Colonies, argued the Bostonians—and the Bostonians had always been representative of Massachusetts—must oppose any Act of Parliament or scheme which authorised, or even showed a tendency to authorise, the raising of revenue in America for any public purpose or designs of the British Government. The seeds of the Declaration of Independence were sown by that argument; and in the end the British Government expressed its willingness to find the troops at its own cost if the Colonies would provide auxiliary troops without charge. This the Colonies agreed to do, and it is creditable to them that their troops displayed remarkable valour, skill, and daring. On at least one occasion—when General Braddock was defeated on the Monongahela—they showed a bravery, discipline, and spirit which the regular troops entirely lacked. The whole campaign, indeed, was significant enough in one very important psychological detail: up to the end the English officers regarded what they were pleased to call the raw American militia with contempt, and even made light of the local experience of the American officers, refused to listen to their advice about the Indians and their methods of warfare, talked of the lesson which the King's regulars from England would teach both Frenchmen and Indians; and, in general, displayed the same tactlessness and stupidity as later on characterised the British statesmen who found themselves called upon to deal with even graver developments in American politics. Not even Braddock's neglect of the warnings, which resulted in his defeat and death, had any effect on the attitude of the English officers; not even the arguments of Burke and Pitt, a few years later, could alter the

attitude of the statesmen in England, who were well worthy of such officers.

In 1756 and 1757 the campaign was pursued under very discouraging conditions. Montcalm's victories against Abercrombie and Munro, and the apathy of Lord Loudon and Admiral Holbourn, exasperated public feeling in England to such a degree that the Government had to resign and Pitt came into power. His energy changed the situation for the better, and a series of victories led finally to the capture of Quebec by General Wolfe on September 13th, 1759. This campaign, followed by an expedition against the Cherokee Indians, practically brought the French war to an end; the Treaty of Peace was signed at Paris in 1763. By it England acquired all the vast territory east of the Mississippi with the exception of the Island of New Orleans. Havana, which had been captured by an English squadron in the course of the war, was given back to Spain in exchange for Florida. Various islands in the Caribbean Sea also fell to England, who now entered into possession of the whole of the eastern half of North America, from Hudson Bay to the Gulf of Mexico. Western Louisiana was, at the same time, ceded by France to Spain. The trade of a huge stretch of long disputed territory was finally in the hands of the New Englanders.

The conspiracy of the Indian chief, Pontiac, who favoured the French Government, and formed the desperate plan of attacking all the English forts in one day, destroying their garrisons, and then ravaging the settlements until the English should be driven into the sea, had the only possible termination that such an extravagant design could have.

Pontiac, it is true, met with some success in the beginning, and the scalps of many British soldiers and traders, as well as of friendly Christian Indians, adorned his followers. The revenge was sharp, swift, and more than adequate.

After this exhausting campaign, both France and England, as well as the English Colonies in America, found it necessary to count their gains and losses. All three countries were suffering from poverty and dislocation of trade, and the financial legislation which had to be passed in consequence had a momentous effect on the development of the British Empire.

Before we come to the causes of the American Revolution, it will be of interest to consider the condition of the American Colonies down to the first half of the eighteenth century. The rapid development of New England under particularly unfavourable conditions is bound to attract the inquirer, especially when he remembers what ineradicable influence this early period in American history left. In 1652, when Virginia surrendered to the Parliamentary Commissioners, and the authority of the English Parliament was acknowledged by the Colonies generally, the population of New England is estimated to have been only 50,000. It was an insignificant number for such a large tract of country. In spite of their disadvantages, the colonists had made astonishing progress. One of the earliest industries was ship-building, and ships formed the favourite means of communication between the settlements and the coast. There was also, however, a good road all along the coast of Massachusetts, and in the interior of this province very passable tracks had been hewn through the woods, and bridges had been



EARLY AMERICA: MIDDLETON HOUSE, BRISTOL, RHODE ISLAND, BUILT ABOUT 1806.

(From a photograph.)



EARLY AMERICA: INDIAN HILL FARM, WEST NEWBURY, MASSACHUSETTS, BUILT ABOUT 1655-1660.

(From a photograph.)

built even over the broadest rivers. England and Holland were then the great carrying countries of the world, but the ships of New England were soon competing with them for intercolonial and trans-Atlantic trade. Some Yorkshire clothiers established a mill at Rowley in 1639, and glass factories, iron-works, and the like followed rapidly.

Even at this early period there was a distinction between the south and the north. All the colonists might combine to resist the Indians or to check the rapacity of their English governors, but the provinces nevertheless developed each in its own way. The people who settled in the north belonged rather to the middle classes, and were drawn chiefly from the trading and small farming communities in the home country. Members of the old county families, on the other hand, began to settle in Virginia in the latter part of the sixteenth century, and their number was largely augmented during the revolutionary period which followed the defeat of the Royalists. Tobacco growing was the staple industry ; but hemp, flax, hides, leather, and figs were also largely exported. Virginia soon became a wealthy colony, and numerous white servants and workmen, as well as negro slaves, were kept busy in the plantations. The decline, or rather fluctuation, in the price of tobacco in the middle of the seventeenth century does not appear to have caused the Virginians much anxiety. They turned their attention to other industries, and, in 1634, a writer of the time declared that Virginia had become "the granary of His Majesty's northern provinces." While the other colonists, generally speaking, welcomed the deposition of the Stuarts, the Virginians remained attached

to the fortunes of the fallen family, though not to the High Church party, with which they naturally associated Charles I.

Even before the beginning of the eighteenth century, society in the Colonies had taken a fairly definite shape, as was seen in the details of their daily life. Travellers of the time, for example, report upon the food of people of the "ordinary sort" as compared with that of the gentry. The importance of slave labour, particularly in the south, was being realised, and one class of society was, in consequence, gradually finding itself cut off from the ruling race. About the middle of the seventeenth century, it would appear, there were about 4,000 slaves working on the tobacco plantations in the southern states, though in the northern states there were only a few hundred negroes, employed chiefly as personal servants and attendants. With the development of industry in every direction, however, the lack of white labour was felt to be a serious hindrance, and the employment of negroes for all kinds of labouring work became general. The Indians regarded such work as beneath the dignity of warriors, and, as they were able for some time longer to preserve their independence, the white population could not look to them for assistance in the development of the country.

Apart from the Indians and the negroes, the primitive equality of the early settlers rapidly gave way before the normal formation of different classes of society. There were people of the "ordinary sort"—tradesmen, wealthy exporters, large and small farmers, and tobacco planters, and so forth. The long settled Dutch, English, French, and Swedish

families whose ancestors had emigrated owing to religious persecution did not take anything more than a formal and polite interest in the adventurers and traders who had begun to flock into the New World by the boat-load. To this day such old families are “ exclusive ”; and this instinctive, unguided attempt to form an American aristocracy may be of interest to philosophers, though its effects are not likely to be seen for two or three centuries to come. In those southern states which were colonised at an early period in the history of modern America—Virginia and the Carolinas, for example—the respect paid to the descendants of the first settlers is itself sufficient to contradict the popular belief that America is a land of unrestrained plutocracy and progressive equality. It is true that the worship of money is an outstanding characteristic of the American nation, taking it as a whole; but, here and there in the eastern, south-eastern, and the far western states, the traveller will meet with a little leaven of aristocratic feeling which not even the wealth of all the millionaires has been able entirely to subdue.

This remark about the importance of old families applies, of course, to states which were not in the first place populated almost entirely by English people. The old Dutch families of New York and Pennsylvania, for example, are held in very high esteem. Still, though Dutch and German influences are strong, the prevailing tone is English—not the tone of present-day England, which has itself seen the rise of a new plutocratic class, but rather of the England we associate with the Puritan period. Nor is it without interest to note that family influence has, if anything, shown more persistency in those dis-

tracts where towns were late in springing up. Boston, in 1660, was "a great town with two churches, a state house, market-place, and good shops," and there were other well-populated though smaller towns in the northern states. In the southern states the case was different. There was no excuse for towns; for the people were engaged almost exclusively in agriculture or tobacco planting. Virginia, in particular, was so well favoured with navigable water-courses that the inhabitants might at a pinch have been well able to do without roadways. Indeed, it became a custom for tobacco planters to ship their tobacco from their own wharves.

In the first few decades of the eighteenth century the English people began to realise the importance of their American Colonies, and the results were not altogether to their liking. There was a disposition to regard the presence of the Indians and the French in Canada as a useful check on the English possessions, which might, it was thought, otherwise grow to such an extent in wealth, territory, and population as to be able to dispense with the assistance and protection of the home country. Franklin wrote one of his most vigorous pamphlets to condemn this attitude, emphasising the damage done jointly by the French and their Indian allies, and, incidentally, pointing out that intercolonial life was not necessarily harmonious. With proper treatment, he remarked, the growing power of the Colonies would not in any way affect their allegiance to England. It was true that they had different laws, governments, and manners, but "their jealousy of each other is so great that, however necessary a union of

the Colonies has long been, for their common defence and security against their enemies, and how sensible soever each colony has been of that necessity," no such union had been possible. Therefore, "can it reasonably be supposed that there is any danger of their uniting against their own nation, which protects and encourages them, with which they have so many connections and ties of blood, interest, and affection, and which, it is well known, they all love much more than they love one another?"

The grim answer to this question was soon given. Not long after the conclusion of peace and the signing of the Treaty of Paris in February 1763 Lord Bute retired from office and was succeeded by George Grenville, who became First Lord of the Treasury and Chancellor of the Exchequer. He was chiefly concerned, naturally enough, with finding money for the enormous cost of the war. Four great campaigns had been waged within seventy years, which raised the National Debt to £140,000,000. The French war, it appeared to be taken for granted, had been fought largely in behalf of the British Colonies in America, which should now be called upon to furnish some contribution towards the cost.

There is no doubt that the Colonies would willingly have paid a reasonable contribution if they had been approached in a statesmanlike way. Unfortunately, the statesmen were not in power in 1763; they were to be found mainly on the Opposition benches, and their arguments were of no avail. The merest whisper of resistance from America gave rise to the utmost indignation: "I am willing to love all mankind except an American," shouted Dr. Johnson—"rascals, robbers, pirates. . . ." This opinion

was general. The worthy doctor, who summed up within himself so many excellent English characteristics, summed up in this outburst their unfavourable opinion of the American people. Only a few men like Pitt and Burke could be found to protest against the general verdict; one would have had to go far and wide in England to find a man or woman able and willing to answer Dr. Johnson as Miss Seward did at this celebrated encounter. No attempt was made to consider the economic condition of the Colonies or the feelings of the colonists. The Puritan reaction, and the subsequent reaction against Puritanism, had long before spent their force in England, and it did not occur to the politicians of the seventeen hundred and sixties that the Americans of whom they thought so little were men whose ideas were modelled on those of Hampden and Cromwell and George Fox. The Colonies had themselves spent \$16,000,000 on the French war, and only \$5,000,000 of this sum had been reimbursed by the English Parliament. They were, proportionately, as hard hit by the campaign as the mother-country, and 30,000 of their best men had died of wounds or disease.

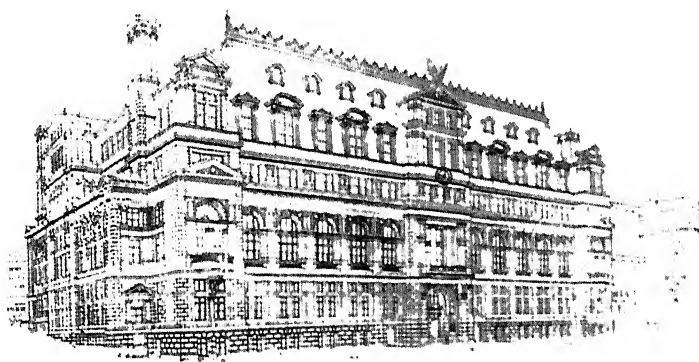
There was at least one other factor that gave the American Colonies a hitherto unexperienced feeling of independence. The colonial assemblies had raised money by taxation for the purpose of carrying on the campaign against the French, and this money had been distributed solely by colonial agents. The struggle, as it became more intense, called for the exercise of more complete authority by the colonial assemblies and of less authority than formerly by the colonial governors, who held their appointments

from the Crown. In spite of the contempt with which the English officers regarded the American troops, there was no doubt that both the American officers and men had behaved admirably throughout the war, and, for the first time in colonial history, a feeling of unity had been developed as the result of the necessary co-operation among the troops from the various states. Furthermore, these American soldiers were now trained to regular warfare; they had become familiar with the horrors and privations of an actual campaign; and, incidentally, with the strategic possibilities of their own country. It was dangerous to provoke men like these. Had they been merely soldiers it would have been dangerous; and these men were soldiers with a faith.

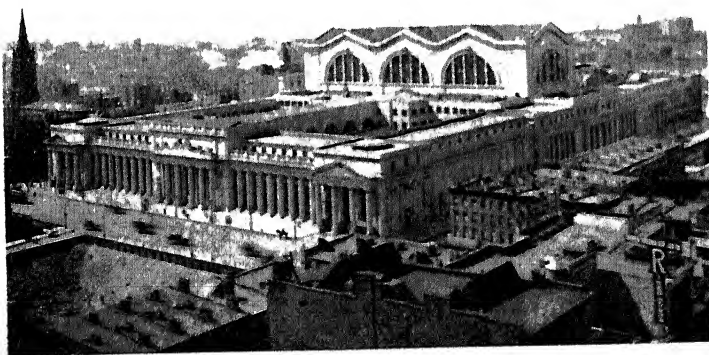
The home authorities decided that it was fitting and proper for England to expect a regular and certain revenue from the Colonies. The Colonies had hitherto been taxed for the so-called regulation of trade. In the beginning of 1764 Parliament formally voted that it had "a right to tax the Colonies." Massachusetts—Puritan and congregationalist Massachusetts—instantly took alarm. The State House of Representatives passed resolutions authorising a committee to ascertain the views of the remaining Colonies. The foremost figure in this agitation in Massachusetts was James Otis, the leader of the Boston Bar, who had previously had a skirmish with the home authorities. In 1760, when he was Advocate-General, revenue officers asked for his assistance in obtaining from the High Court a number of so-called general search-warrants, which would enable them to enter any man's house and look for smuggled goods. Otis refused, resigned his position,

took the popular side in the dispute, and made a celebrated speech which occupied more than five hours in the delivery—that speech of which John Adams said, “The child Independence was then and there born.” In the intervening three years Otis had been prominent in resisting the Revenue Acts, and when the “right to tax” principle was enunciated in 1764, he wrote a pamphlet which was as effective in its way as the publication of a volume by Rousseau. In “The Rights of the Colonies Asserted and Proved” he insisted that the Colonies alone were entitled to regulate and arrange for their own public expenditure. “By this constitution,” said Otis, “every man in the dominions is a free man; no part of His Majesty’s dominions can be taxed without their consent.”

This pamphlet was at once despatched to England, and was described by Lord Mansfield, the Lord Chief Justice, as “full of wildness.” But its effect in the Colonies was profound, and the agitation against the English Parliament’s declaration spread from Massachusetts to Pennsylvania, and thence to the other states. Franklin was sent from Pennsylvania to England with instructions to oppose the whole scheme of taxation. The remonstrances might as well not have been made. Franklin found the Government’s plans ready almost as soon as he landed, and in spite of his representations Mr. Grenville, on March 10th, 1764, moved a series of resolutions “for imposing small duties on certain articles of American commerce.” These were “to be paid into the receipt of His Majesty’s exchequer and there reserved to be from time to time disposed of by Parliament towards defraying the necessary



SUFFOLK COUNTY COURT HOUSE, BOSTON.
(With acknowledgments to the Geo. A. Fuller Co.)



PENNSYLVANIA STATION, NEW YORK.
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expenses of defending, protecting, and securing the British Colonies and plantations in America." The fourteenth resolution of the series contained the passage that at length resulted in the Declaration of Independence: "That towards further defraying the said expenses it may be proper to charge certain stamp duties in the said Colonies and plantations."

So strong was the memorial presented by the Colonies against the scheme, even before they knew its details, that it was not thought "decent or safe" to present it to Parliament. The Americans clearly regarded the legislation, not as an honest endeavour to make up for the cost of the war, but as an attempt to tax them without their consent. Mr. Grenville, indeed, when he introduced his resolution on the Stamp Act, described it as "an experiment towards further aid." As the protests were unheeded, the Act passed both Houses and received the royal assent on March 22nd, 1765. It was to come into operation on November 1st; but, when its enactment became known in America, the latent feeling of resentment and indignation broke out. The most monarchical of all the American provinces—Virginia—faithful to the royal cause even at the time of the Commonwealth, was the very first to demand a repeal of this obnoxious statute "by which the Colonies are taxed without their consent." The resolution of the Virginia Assembly was the forerunner of similar resolutions which were passed by several other assemblies in America.

The debates in Parliament over the question of American taxation gave rise, among other things, to the formation and name of a well-known American fraternity which organised active resistance to the

Stamp Act in Boston. When Colonel Barré, who had served in the American campaign, made a speech against the tax, he was answered in the House by Charles Townshend, who referred to the colonists as "Children planted by our care; nourished by our indulgence, and protected by our arms." Barré replied in a speech which produced almost a sensation in the House, though it did not induce the ministry to change its mind about the Stamp Act. "They planted by your care?" he exclaimed. "No; your oppression planted them in America. They nourished by your indulgence? They grew up by your neglect of them. They protected by your arms? These sons of liberty have nobly taken up arms in your defence. The people, I believe, are as truly loyal subjects as the King has, but a people jealous of their liberties, who will vindicate them should they ever be violated."

A number of Bostonians banded themselves together under the name of "The Sons of Liberty," taking their designation from a passage in this speech. Their first move towards a firm protest appears to have been made about July, when the Rockingham Government had assumed office as the result of the dispute over the King's health and the consequent Regency Bill. The "Sons of Liberty" began by hanging in effigy the man who had accepted the office of stamp distributor for the province. The tree used for the purpose was afterwards called Liberty Tree. Rioting went on for several weeks, and spread to Rhode Island. Further, if more gentle, proceedings were taken in New York, where delegates representing nine assemblies met and passed resolutions, the gist of which was that every British

subject could be taxed only with the consent of his legal representative, and that the legal representatives of the colonists were those chosen annually to serve as members of the provincial assemblies. This view was afterwards upheld in the House of Commons by Pitt, in one of his most famous speeches (January 14th, 1766), and Burke made his first speech in Parliament on the same evening. A feeble reply by Grenville brought forth a second speech from Pitt, in which he forecasted the result of an American war: "In a good cause, on a sound bottom, the force of this country can crush America to atoms. In such a cause as this your success would be hazardous. America, if she fell, would fall like a strong man. She would embrace the pillars of the state and pull down the constitution along with her. . . . I will take leave to tell the House what is really my opinion. It is that the Stamp Act be repealed, absolutely, totally, and immediately."

Largely as a result of Pitt's speech, but partly also on account of the commercial difficulties involved, a Bill providing for the repeal of the Stamp Act was passed with some difficulty in March 1766. The colonists had from the first treated the measure with contempt. The merchants of New York set an example, which was widely followed, by instructing their agents in England not to ship any more goods to them until the Stamp Act had been repealed. The inhabitants of Philadelphia decided that, until the Act was repealed, no lawyers should plead the suit of an English creditor against an American debtor, nor should any American remit money to England in payment of debt. Custom House officials everywhere refused to use the

stamped paper. The Act, we are told, cost the country £12,000 to administer while it lasted ; and the returns, almost entirely from Newfoundland, Nova Scotia, Quebec, and the West Indies, amounted to just over £1,000.

Pitt had wished the Stamp Act to be repealed unreservedly ; but, always bearing in mind the possibility of again trying to tax the Colonies in the near or distant future, the ministry added to their Bill for the repeal of the Act a declaratory resolution to the effect that "The King's Majesty, by and with the consent of the Lords Spiritual and Temporal, and the Commons of Great Britain in Parliament assembled, had, hath, and of right ought to have full power and authority to make laws and statutes of sufficient force and validity to bind the Colonies and people of America, subjects of the Crown of Great Britain, in all cases whatsoever." This resolution was subsequently embodied in a special declaratory Bill. The effects of this Bill were soon felt. In 1767 Parliament nominated a Board of Revenue Commissioners for America ; passed a Tea Act imposing duties on tea and other imports into the Colonies, the money so obtained to be devoted to the salaries of royal governors and judges ; and declared the Assembly of New York to be "incapable of legislation" until it ceased from its resistance to the Act regulating the quartering of troops which had been passed in 1765.

Massachusetts, as usual, protested ; and a riot was provoked by the seizure of John Hancock's sloop *The Liberty*, because her owner had, it was alleged, made a fraudulent entry at the Custom House. In the following year, 1769, the British Parliament

passed an even more drastic Act, ordering that all cases of treason, whether they occurred in the Colonies or not, should be tried in England. In this instance Virginia was the first state to protest. It is worth noting that Massachusetts, the ultra-democratic, Puritan, and least monarchical province in the Colonies was almost invariably the first to protest against measures like the Tea Act, which affected the pockets of the colonists, while Virginia, the more aristocratic and much less Puritan province, was the first to protest when a British Act of Parliament threatened the personal liberties of the colonists rather than their purses. George Washington, at that time a member of the Virginia Assembly, protested indignantly against the Treason Act as an encroachment on the liberty of speech, and wrote "that no man should scruple or hesitate a moment to use arms in defence of so valuable a blessing is clearly my opinion."

The resentment of Massachusetts, however, was aroused by the British troops in the colony, for whom the inhabitants were called upon to provide quarters. Virginia had refused to do this. Massachusetts also refused, and the example of these two states was followed by North and South Carolina, Maryland, and Delaware. For the first time in the case of any such protest, however, the colonists were not altogether united. There was a Loyalist party, small, though of respectable standing and some influence, which did not object to the "right" of the English Parliament to tax them. The members of this party became known as Tories, in opposition to the Whigs, who took up a determined attitude against the claim of Parliament to tax the Colonies. From

this time it was clear that either a drastic change in the views of the English Parliament or an entire separation was inevitable. A series of rebellious incidents rendered a decision one way or another a necessity.

In 1769, shortly after the troops were stationed in Boston, it became the practice for the mobs to insult and provoke them. In March 1770 a particularly savage attack was made by a large mob on a small party of British troops. The troops fired in self-defence, killing three or four of their aggressors. This affray was exaggerated by the citizens into an attack by well-armed soldiers on an unarmed crowd, and the "Boston Massacre" became famous. The officers and men concerned were put on their trial, but John Adams and Josiah Quincy, two of the popular leaders, were so thoroughly convinced of the injustice of this step that they undertook the defence and secured a verdict of acquittal.

In June of the same year the *Gaspee*, a revenue cutter which had often interfered with the shipping in Narragansett Bay, was decoyed into shoal water by an American schooner, and grounded. When it was seen that she could not get away, she was boarded forthwith by a number of people of Providence, Rhode Island, and set on fire. This outrage resulted in another Act of Parliament, on the lines of the Treason Act, to the effect that any person or persons concerned in the burning or destroying of His Majesty's ships, dockyards, or military stores in the Colonies should be tried in England. Despite large rewards, none of those who had taken part in the burning of the *Gaspee* could be traced.

Another vested interest being threatened by its

ginia, further interference by the English Parliament became necessary. The Colonies do not appear to have cared very much for the slave traffic, and adopted it chiefly because of the scarcity of white labour. Virginia, in 1770, passed a resolution in her State Assembly demanding the restriction of the traffic. The Royal Governor was at once instructed by the home authorities not to consent to any laws affecting the interests of the slave traders. Other colonies which took similar steps met with similar opposition. The protests against the traffic continued, and in 1774 a meeting under the presidency of Washington resolved "That during our present difficulties and distresses no slaves are to be imported into any of the British colonies on this continent; and we take this opportunity of declaring our most earnest wish to see an entire stop for ever put to such wicked, cruel, and unnatural trade."

In this year the East India Company made its powerful influence felt in the House of Commons; and a British ministry, not for the first time or the last, was swayed by commercial considerations. Nearly 8,000 tons of tea lay in the warehouses of the Company, and in consequence of the colonial boycott no market could be found for it. The Company did not wish to lose its profits, and the Government did not wish to lose the revenue from the tea duty in America; and an ingenious attempt was made to arrive at a compromise. The Company was authorised by the Government to export its tea free of duty, though the American import tax was retained. This plan would have had the effect of making the tea cheaper in America than before it had been made a source of revenue, and the ministry no doubt

thought that in view of this fact the colonists would not keep up their principle of boycott. There was not much doubt about the colonial attitude. Cargoes were sent to New York, Philadelphia, Boston, and Charleston. The inhabitants of the first two towns refused to accept the consignments, and sent the ships back as heavily laden with their cargoes of tea as when they arrived. The people of Charleston unloaded the tea and stored it in damp cellars, where it soon became unfit for use.

In Boston much stronger measures were adopted. The vessels containing the tea lay in the harbour for some days, the captains not daring to order the landing of their freight in view of the anger and threats of the citizens. Finally, on December 16th, 1774, a number of men dressed as Mohawk Indians boarded the vessels and threw the tea into the harbour. Some 342 chests of tea, valued at £18,000, were destroyed in two hours; but this was not the end of the "Boston Tea Party."

If the Americans were exasperated at this time by the British attempts to interfere with their liberty, the people of England were no less enraged over the incident of the Whatley correspondence. From 1767 to 1769 Mr. Thomas Whatley, a private Member of Parliament, though at one time the secretary of Lord Grenville, had kept up a purely personal correspondence with Governor Hutchinson of Massachusetts, and with his brother-in-law, Mr. Andrew Oliver, the Lieutenant-Governor. In their letters to England both Hutchinson and Oliver expressed many opinions regarding the colony which were, of course, neither official nor intended for the eye of the public. When Whatley died, in 1772,

some one who had evidently known of the correspondence gained access to the letters, stole them, and conveyed them to Franklin, who was then in England acting as agent for Massachusetts. Franklin pledged himself not to divulge the contents of the letters or the name of the person who had communicated them to him. This latter promise he does appear to have kept; but the contents of the letters were so piquant that he could not resist the temptation of communicating them to the Massachusetts Assembly, begging the Speaker, Mr. Curling, to circulate them only among a very select few.

The Speaker of the Massachusetts Assembly was equally attracted by the letters, and said that he felt justified in circulating them publicly, as other copies of them had come to him from England. This statement was afterwards proved to be entirely false, but the letters were circulated. The American public was led to believe that they were official, and that the opinions in them were the deliberate recommendations of the Governor and the Lieutenant-Governor to the British public. The letters, which were soon circulated all over America, and under the false impression referred to, raised a feeling of the bitterest animosity against England, while in England Franklin and the Americans generally were accused of showing an utter disregard of diplomatic honour—a stigma which for very obvious reasons has not yet been removed from American diplomacy. The indignation aroused in England by the publication of the Whatley correspondence was naturally intensified when the fate of the tea cargoes became known. Many people who had hitherto supported

the colonists joined the party opposing them, or at least remained silent. Lord North, whose ministry was then in power, brought in the so-called "Five Acts." These included a measure ever since famous as the Boston Port Bill, which provided for the removal of the seat of government to Salem, and for the closing of the harbour of Boston to commerce. Another Bill followed "for the better regulating government in the province of Massachusetts Bay." This Bill directed that the nomination of the members of the Council, and of the judges and magistrates, etc., should be made in future by the Crown and not by the popular assemblies. Lord North stated, in his introductory speech, that these privileges had been exceptionally conferred on Massachusetts by William III; no other colony possessed them, and the consequence was that the Governor of Massachusetts had practically no power.

There was another Bill for providing against cases like the Boston massacre, to the effect that all persons charged in the Colonies with murders committed "in support of the Government" should be tried in England, and thus be protected from the verdicts of colonial juries. A fourth Bill directed that troops should be quartered in America under certain specified conditions. A fifth Bill, known afterwards as the Quebec Act, which was drawn up with the object of preventing the new province of Quebec from joining with the other colonies, restored the old French civil law and guaranteed to the Roman Catholic Church the protection of its vast property. The boundaries of the provinces were also extended. To force the Colonies into submission other strong measures were taken. When these

Bills were passed through the Commons and the Lords, Governor Hutchinson was recalled from Massachusetts, and General Gage, a man with a reputation for firmer dealing, was appointed. Four ships of war were ordered to sail to the Port of Boston, there to aid the Governor if need were.

British statesmanship had blundered once more. There was some disorder in the colonial ranks over the "Boston Tea Party," and it is clear that the escapade did not meet with the approval of a large number of the colonists. It is highly probable that Massachusetts would have been left to settle her own quarrels as best she could if only four of the five Acts had been allowed to come into operation. Unfortunately the Act "for the better regulating government in the province of Massachusetts Bay," which was virtually an abrogation of the Charter, roused every Englishman in America. If the British Government were permitted calmly to destroy charters in this way, it was obvious that no American province could be considered as safe. Many towns throughout the Colonies subscribed large sums of money to enable the people of Massachusetts to take all the steps they thought fit; and in this case again—moneyed interests, let it be remembered, were not directly affected by the Bill—Virginia was the first state to take the lead. The eloquence of Thomas Jefferson and Patrick Henry stimulated the colonists, who ordered a fast (May 24th, 1774). For this Governor Dunmore dissolved the Assembly.

In the meantime the Boston "Committee of Correspondence" had drawn up a document which they called "The Solemn League and Covenant." It was soon withdrawn owing to the strong terms in

which it had been couched; but a second one quickly followed, and in consequence of it all commercial intercourse with Great Britain came to an end. The necessity for a general congress of the Colonies was recognised, and on September 5th, 1774, the first Continental Congress was held in Philadelphia. The delegates drew up a Declaration of Rights, prepared an address to the King, a memorial to the American people, and an address to the people of England. These documents were warmly commended by Pitt, now become Lord Chatham.

Before the Congress was summoned Boston had been turbulent, and with Boston all Massachusetts. On June 1st the public offices at Boston were closed, and the business of the state, in accordance with the British Act of Parliament, transferred to Salem. Here the anger of the people was so openly manifested that General Gage deemed it advisable to suspend the meeting of the Assembly; and in order to prevent tempting offers to desert from being made to his troops—offers which many of them had accepted—he stationed a strong guard at Boston Neck, a narrow isthmus connecting the town with the open country. The inhabitants, on seeing this latter manœuvre carried into effect, raised the cry that the new governor meant to starve them into submission by cutting off their food supplies. There was a powerful demonstration, and as many of the agitators were armed under the Militia Law General Gage removed the military stores from Charleston, Cambridge, and other places to his own quarters. This angered the people still further, and as fast as the work on temporary fortifications on Boston Neck proceeded by day, the mob endeavoured

to undo it by night, and certainly succeeded in hindering the operations very considerably.

Gage had issued writs for the assembling of a congress at Salem on October 5th; but, alarmed by the attitude of the people, he countermanded his order in a proclamation. This proclamation was declared to be illegal. Accordingly, some ninety representatives formed themselves into a provincial congress and held a meeting at Concord. Here they took a step which annoyed the Governor intensely. They called upon him to desist from his preparations at Boston Neck, begging him to restore that place to its former natural and unfortified condition. Gage expressed his extreme displeasure at the request, saying that no danger could be apprehended from British troops, "except by the enemies of England." Thereupon the assembly adjourned to Cambridge, appointed a committee to prepare a plan for the defence of the province of Massachusetts, and ordered a number of the annoyed inhabitants to be enlisted "to be in readiness at a moment's warning." The men thus enlisted were called "minute-men." At Concord, some twenty miles from Boston, the delegates elected as their president John Hancock, the owner of the sloop *Liberty* to which reference has already been made.

CHAPTER II

The War—Quarrels among the colonists—Tom Paine—French participation—Financial embarrassments—Declaration of Independence—States and Congress.

NONE can tell whether the British or the Americans fired first. It seems probable that the English soldiers under the command of Gage really began a war which was in any case inevitable. A large quantity of military stores had been deposited at Concord, and on the night of April 18th, or early in the morning of April 19th, 1775, General Gage sent a detachment of light infantry—about 800 men—to destroy the dépôt. At the village of Lexington—six miles below Concord—the detachment came upon some seventy or eighty minute-men under arms. Major Pitcairn, of the marines, who was leading the infantry, called upon them to disperse. As they paid no attention to his order, he commanded his troops to fire; though not, it is said, before a shot was fired either with intent or through nervousness by an American soldier. The English soldiers fired at the word of command. Eight minute-men were killed and several wounded. A monument has since been erected to mark this historic spot, the scene of the first bloodshed.

The firing brought up large bodies of minute-men, and the English were driven back with a loss of 60 killed, 49 missing, and 146 wounded. In the sub-

sequent skirmishing the Americans lost 60 killed and wounded.

The news of the Lexington encounter reached London towards the end of May, and with it the announcement that the Massachusetts Assembly had ordered the enlistment of 30,000 men throughout New England, its own proportion being fixed at 13,000 men. It was added that the English were being besieged in Boston and had not sufficient ammunition. This first intimation was brought by a special packet in the service of the Massachusetts Government, and the ship also conveyed a special statement for the benefit of the English people. "Brethren," said the Assembly, "we profess to be loyal and dutiful subjects, and so, hardly dealt with as we have been, are still ready with our lives and fortunes to defend the person, family, crown, and dignity of our Royal Sovereign. Nevertheless, to the prosecution and tyranny of this cruel ministry we will not submit."

This was hard on the ministry, since George III was fully as eager as Lord North to put down the insurrection by force; but the influential following of the Earl of Chatham and his friends was seen when this news became public. Several army officers resigned rather than take part in a war against the Colonies. Admiral Keppel begged that he might not be sent to serve in America. The Recorder of London put on his suit of mourning, and, on being asked why he was dressed in black, replied that he had lost many brothers at Lexington and Concord.

On June 24th the citizens of London, through their Corporation, expressed their approval of the attitude of the Massachusetts Assembly, and voted an

address to the King, praying His Majesty to dismiss his present ministers. The King refused to receive the address, which was entered in the books of the City Council and published by its authority. In the meantime, however, the battle of Bunker Hill (Boston) had been fought, on June 17th, and before this, on May 10th, a second Congress had met at Philadelphia. The news of the retreat of the English from Concord brought hundreds of recruits to the American army, and in a very short time more than 20,000 men had assembled round Boston. The Congress appointed George Washington to command the American army; and Washington, by severe discipline and an unsparing use of the lash, was soon able to instil a fair amount of order into the irregular regiments which he found awaiting him at Boston.

As this book is concerned with the war only in so far as it explains or affected the social and economic condition of the American people, a complete description of the remainder of the campaign is not attempted. It is important to note, in addition to its main features, the general feeling of disgust with which the war was soon regarded in England, and the fact that so relatively few Englishmen could be induced to take part in it. The King's advisers and King George III himself looked for support to the inhabitants of Canada, especially of Quebec, to whom they had made the substantial concessions already mentioned; they looked to Hanover, to Hesse, to Russia, to Ireland, and even to the Indians and the negroes. The Americans, for their part, were not altogether united. Besides the party of so-called "Tories," there seem to have been very many who urged on the war for the sake of personal

gain—a phenomenon which is not altogether lacking in the history of our own time. Washington himself complains of the lack of public spirit and “want of virtue.” In one of his reports to the president of the Congress we read, “There seems to be some other stimulus besides love for their country to make men fond of the service.” And again he says: “Such a dearth of public spirit and such want of virtue, such stock-jobbing and fertility to obtain advantage of one kind and another, I never saw before, and I pray God’s mercy that I may never be witness to again. I tremble at the prospect. Could I have foreseen what I have experienced and am likely to experience, no consideration upon earth should have induced me to accept this command.”

While it is generally acknowledged that the war was inevitable, it must be remembered that it was inevitable only because of the blunders of the English statesmen at home. There is every reason for believing that the ministers of the period were largely under the influence of enterprising merchants—the capitalists, in fact, of the eighteenth century. The Peace of Paris had left England with a large dependency in America which was open to be exploited by British trade. The English merchants clearly intended to take full advantage of this great dependency and its potentialities, never imagining that the colonists might possibly have economic and political problems of their own to consider. The spread of the British Empire, indeed, had a harmful effect on America, for the English colonists there found themselves more severely hit the larger the Empire grew. In the competition for the trade of the world they were hampered in two ways: first by the bounties

granted to English traders by the English Government; and, secondly, by the restrictions placed by the English Government on American trade for the benefit of the English merchants at home. High state officials, the royal family itself, either disregarded this possibility or did not think of it at all, and the few statesmen who did give their attention to it were either neglected by the public or silenced by the financial interests, and, in either case, treated with scant courtesy by the Government. The economic pressure finally became so great that it "paid" the Americans better to fight than to be misgoverned and fleeced. That a successful struggle was waged by them was due to another factor which the atheistically inclined England of the latter part of the eighteenth century also failed to consider. The Americans at that time were inspired by a faith which, if harsh and unlovely in its strict Puritan fanaticism, was certainly very strong, profound, and thoroughly genuine. Their victories were assuredly not due to superior organisation, patriotism, or money. The American army was wretchedly poor and ill-equipped; and those in command, from Washington downwards, continually complained that they could not fire off their cannon because they had no powder. Even when the English garrison at Boston capitulated, the American army, as Washington states in his report, was reduced in ammunition to fewer than thirty rounds per man. Still, the British army which the Americans had to meet was in little better case. Apathetic and careless generals, with forces largely made up of foreign levies, are not very considerable antagonists.

From the very beginning the war had had an

effect the political importance of which is obvious. It turned the different states (thirteen, including Georgia, which joined the Union in 1775) into an almost united nation; for the campaign on which they had entered was so clearly the most salient event of their generation that minor differences were necessarily forgotten, even if only for a time. The Congress became a national representative parliament, and controlled the army and navy—a naval committee had been called into existence in December 1775, to arrange for the fitting out of thirteen warships. The Congress also arranged for the formation of a national army, as distinct from the militia levies of the individual states. An issue of paper money was also arranged for, a Treasury Department was formed, a national Post Office was set up; and, above all, a "Committee of Secret Correspondence" with Europe—practically a Committee on Foreign Affairs—was appointed. From these beginnings sprang the Federal Government of America as we know it to-day.

Washington's capture of Dorchester Heights, which commanded the town of Boston, was the first great American achievement of the war. Gage had been recalled, and Howe and all his garrison surrendered to Washington's army on March 17th, 1776. This event and the joy which was naturally aroused by it throughout the thirteen states brought to a head an agitation which had been going on all the winter. Several well-known public men had been advocating in speeches, essays, and pamphlets the complete separation of the American Colonies from the mother-country. Among these and most celebrated was Thomas Paine, whose pamphlet entitled "Common Sense" had a marked effect on American opinion.

Partly as a result of this agitation, and partly on account of the resentment caused by the employment of foreign mercenaries against them, the Americans took further retaliatory measures towards England. It was ordered by Congress that reprisals should be made on such British vessels as were encountered on the high seas, and that the ports of America should be open to the whole world, with the exception of England and her dominions. At last, on June 7th, 1776, the plan which had been so long talked of was brought forward in definite shape. Richard Henry Lee, one of the delegates from Virginia, submitted a resolution to Congress declaring the American Colonies free and independent. He was seconded by John Adams, of Massachusetts, and opposed by John Dickinson, of Pennsylvania, who represented the opinions of those hostile to the measure. The spirit of the public was, however, on the side of Lee and Adams, and Dickinson had to resign. It is worth mentioning, as a matter of interest, that on reconsidering his position Dickinson finally decided that the majority of his fellow-countrymen were in the right, and within four years he was a zealous supporter of the principle of independence.

The resolution itself was not carried easily. On June 8th it was debated in a committee of the whole Congress, and on the 10th it was adopted by the close voting of seven to six. In view of this it was decided not to submit it to the House until July 1st, in order that in the meantime something might be done towards securing greater unanimity among the members. On July 1st a report of the committee was read in conjunction with Thomas Jefferson's draft of the Declaration of Independence, as

modified by Franklin and others. Of the thirteen states, nine now voted for independence ; but New York, South Carolina, and Pennsylvania voted against it, and both Delaware and South Carolina requested an adjournment until the following day. On July 2nd Delaware and South Carolina both voted for the Declaration, new delegates having arrived with fresh instructions ; but New York and Pennsylvania still held out.

There seemed to be a considerable amount of intriguing in New York State, the old families—the so-called aristocratic groups—being in favour of union with England, while the popular leaders demanded an independent America. The revolutionary elements in both Pennsylvania and New York managed to carry the day, for instructions arrived that those delegates favourable to independence should attend and vote for it, and that those who were against it should absent themselves. By a piece of arrant jobbery the New York Provincial Assembly was reorganised by some worthy forerunners of Tammany Hall ; and the Assembly, in its illegally constituted form, was induced to send delegates to Congress favourable to independence. The result of this undertaking was that the Declaration was passed on July 4th, 1776, by a single vote. It contained the following assertions of freedom, which are worth bearing in mind as a standard by which subsequent features of American history may be judged :

(1) That all men are born equal, possessing certain natural rights of which they cannot deprive their posterity.

(2) That all power is vested in the people, from whom it is derived.

(3) That the people have an inalienable right to reform, alter, or abolish their type of government at pleasure.

There are two matters connected with this document on which some little emphasis may be laid. In the first place, although it was officially stated that it was signed unanimously on July 4th, 1776, it was well known, even at the time, that it was not signed by the representatives of all the states, because they did not all agree to it; but that many signatures were affixed several months later, when fresh delegates were chosen. (The fifty-six delegates whose names are usually given as "the signers of the Declaration of Independence" were not the fifty-six delegates who attended the meeting of Congress on July 4th. Of these fifty-six delegates, by the way, no fewer than twenty-six were stated to be lawyers.) Consequently the Declaration was not definitely made at all until the colonists had communicated with France and asked for assistance. Lord North had said in Parliament long before that American emissaries were in Paris seeking aid; and it was known that a secret committee, with Tom Paine as its secretary, had been appointed to enter into correspondence with the friends of America, in Great Britain, France, Ireland, and elsewhere. This private committee, on the strength of French assurances, soon became a public one, and its representatives appeared in nearly every European court to ask for assistance in the struggle against the English.

The French, however, it soon became clear, were not inspired by feelings of affection for the Americans, whom they had no particular wish to help at all. They perceived the difficulties in which England,

already fully occupied in other parts of the world, would be involved by a protracted war on the American continent, and they appeared to think that by helping the Americans they would be able once more to secure possession of Canada. These hopes were not realised, and certain American expectations were also disappointed. Congress was under the impression that Quebec would join the other colonies in rebelling against England, and that a considerable force—at least nine regiments—could be raised in the French-speaking districts. When this decision was made known, the Americans who were living in Quebec, assisted by agents from the New England States, endeavoured, but in vain, to induce the French population to join them. The predictions made by a few Englishmen a generation before had come true, and the French were destined to act to some extent as a check upon the English Americans.

The inhabitants of Quebec, it may be recalled, had had certain guarantees given them by the British Government seven years before, and their innate dislike of the Americans did not become less strong when they realised that by joining the insurrectionists farther south they would be putting their church property in jeopardy. Although, therefore, French officers and men were of much assistance to the American army, the French-Canadians could not be induced to play more than a perfunctory part in the war.

It is customary to divide the American war into three periods, which may be briefly summarised. The first includes the operations from the time Massachusetts began to arm, in October 1774, and

ends with the surrender of Boston in March 1776—a period of about a year and a half. The second stage of the campaign was that from April 1776 to July 1778. During this time the struggle was waged mainly in the north, and the Americans fought without their allies. The third stage was from July 1778, when the French army and a squadron of the fleet arrived in American waters to help their allies in accordance with a Franco-American treaty, which had been ratified on March 5th, 1778. During this stage of the war the operations were carried on chiefly in the south, and the Americans derived considerable assistance from their French allies. This stage lasted until the end of 1783.

After the surrender of Boston, Washington transferred his headquarters to New York to meet the British army under General Howe and the navy under his brother, Admiral Lord Howe. The American troops numbered about 11,000, many of whom had no arms; the forces under the command of General Howe amounted at first to more than 20,000 men, and reinforcements soon brought the number up to 55,000. Almost as soon as the British army landed on Staten Island, five miles from New York, Admiral Howe sent a letter containing an offer of pardon to all who would submit. This was addressed to "George Washington, Esq.," who refused to receive it in his private capacity. Cognizance was then taken of his status and of his official rank as Commander-in-Chief of the American army, and, in accordance with the request contained in the letter, the offer of pardon was made as widely known as possible. By order of Congress it was published in every newspaper throughout the Union "that

everybody might see how Great Britain was insidiously endeavouring to amuse and disarm them," and an official reply was despatched to the effect that Congress did not consider the opposition of the Americans to "British tyranny" as a crime, and therefore it could not solicit pardon for those concerned in the rebellion.

On receipt of this reply, the English troops advanced, and, thanks apparently to the carelessness of the American General Sullivan, rather than to their own superior strategy, they managed to gain a victory over the Americans at New York on August 27th. It was reckoned that nearly 1,500 Americans were killed and 1,000 were taken prisoners. The English losses were much smaller, amounting to little more than 400 killed and wounded.

This success depressed the American army out of proportion to its magnitude. Many regiments which had enlisted for only a short term quitted the service as soon as they could, and there were numerous desertions. General Howe, in an extraordinary degree, displayed the remarkable stupidity which characterised the British generals throughout the war in that he did not follow up his victory, and Washington, in consequence, had ample time to evacuate. The condition of the American army was such that the retreat was effected in great disorder; and so great was the disappointment among the authorities that it was seriously considered whether it would not be better to relieve Washington of chief command and give it to General Charles Lee, a soldier who, as it was afterwards discovered, was at the time carrying on a treasonable correspondence with the English generals. Later researches and

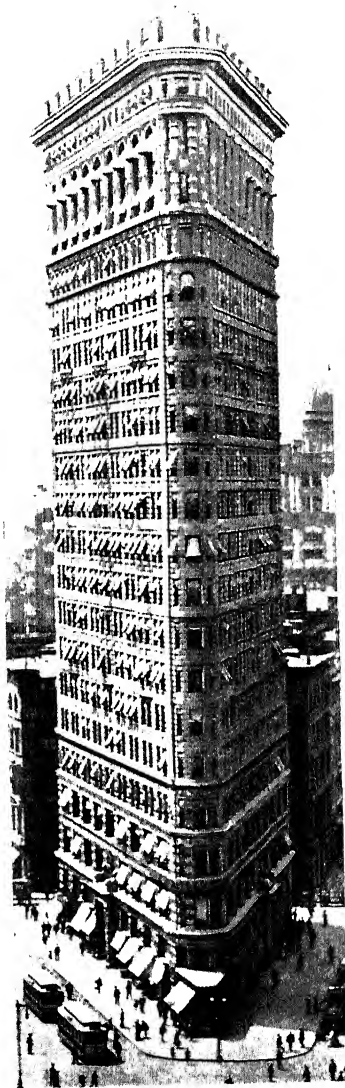
calmer considerations, however, have thoroughly vindicated Washington's military genius. He had a large percentage of sick troops in the ranks, and both ammunition and powder were lacking. Only a soldier of the first order, it is now generally admitted, could have done so much with such unpromising material.

By September 12th Washington had moved his headquarters to Harlem Heights, on the Island of Manhattan, about seven miles from what was then New York City—a district up to which New York has since spread—closely pursued by the English. The Americans were soon driven from this position, and Washington at one time found himself left with only a few personal attendants. He is said to have exclaimed in despair and anger, "Are these the men with whom I am to defend America?" On October 28th the Americans took up a stronger position on the heights of North Castle, having learnt in the meantime that their brethren in the north had been defeated by the English at Lake George (October 11th) and at Crown Point (October 14th). Misfortune seemed to follow the insurgents at every initial stage of the campaign. When Washington crossed the Hudson to join General Greene at Fort Lee, in order that they might operate together to prevent Howe from entering New Jersey, his force was diminished by desertions, and at almost the same time the news arrived that the "Tories" or Loyalists had planned a rising in aid of the British. Harsh treatment—though treatment which was no doubt necessary in the circumstances—was meted out to these people. All who were suspected of loyalty to the British sovereign were seized and



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thrown into prison, and their goods were confiscated.

A deputation from Congress, which met General Howe, at his invitation, failed to come to an agreement with him, as its members insisted that the American nation would consent to peace only on condition that the independence of the United States should be recognised. This unsuccessful negotiation having come to an end—for, naturally, although the English were prepared to make almost every imaginable concession, they could not agree to American independence—the war was renewed. Lord Cornwallis landed on the Jersey side of the North River, and was well received by the inhabitants, who believed that the English victory was certain, and submitted in the hope of securing favourable terms of treatment. The army of Lord Cornwallis penetrated into the interior of New Jersey and took possession of many strategic points.

By the end of November Washington's army was in such a hopeless condition that he was forced to retreat into Pennsylvania. On December 8th he crossed the Delaware, the last barrier between the English forces and the city of Philadelphia. Almost at the same time General Lee, who, in spite of Washington's instructions, had decided to execute an independent manœuvre of his own, was surprised by the English and captured. The fragments of his force were taken in charge by General Sullivan, who at once followed Washington into the next state. On December 8th also a British squadron, under the command of Sir Peter Harker, took possession of Newport, Rhode Island, the second largest city in New England. This manœuvre resulted in the

American fleet, under Commodore Hopkins, being blockaded in Providence River, where for a long time it lay quite useless.

Many of Washington's difficulties arose from the fact that the greater part of his army was composed of short-service men, and that both officers and men were badly paid. Even the officers made systematic raids on the houses and farms of their countrymen, and innumerable depredations were laid to the account of the soldiers. Seeing no way out of his difficulties if drastic remedies were not adopted, Washington appealed to Congress to place his army on a permanent footing; to allow the officers as much pay as would enable them to live like gentlemen and not like brigands; and to give to the non-commissioned officers and men not merely adequate bounties, but also the reward of 150 acres of land, a blanket, and a suit of clothes. These recommendations were at first strongly opposed by Congress, but Washington insisted that they must be carried into immediate effect, as otherwise his men would certainly desert to the royal army.

Towards Christmas Congress, recognising the seriousness of the situation, invested Washington with the powers of a dictator for six months, and authorised him to take, at his own price, anything he might require for the use of his soldiers. In view of the disputes which had arisen over the paper money, he was further authorised to arrest and imprison all those who should refuse the new continental currency. These matters having been satisfactorily arranged, Washington took advantage of the Christmas festivities, which he had learnt were in progress in the English camp, to make a surprise

attack. On the night of Christmas Eve he set out with some 2,000 of his best men and several pieces of artillery to attack the Hessians stationed at Trenton, New Jersey. This necessitated a recrossing of the Delaware—a difficult and dangerous task for which the American troops must have full credit. The little force crossed the river at three different points under the command of General Washington, General Irving, and General Cadwallader. The river was full of floating masses of ice, and it was with great difficulty that the other side was reached by about four o'clock on Christmas morning. The Hessians, most of them lying asleep after a drunken orgy, were easily surprised. Colonel Rahl, their commander, was killed, and the entire force, with the exception of a few men who lost their lives, was captured. Lieutenant James Monroe, afterwards President of the United States and the originator of the celebrated Monroe Doctrine, was wounded in the engagement.

The success of this manœuvre caused a reaction almost as great as the depression caused by Washington's defeat. It was never expected that the crushed and despondent Americans would be able to execute such a desperate manœuvre in the depths of winter. Lord Cornwallis, who was just about to leave for England, was recalled by General Howe and sent into New Jersey with fresh forces. Washington established himself at Trenton, and made ready to meet the English troops. Lord Cornwallis approached the captured position on January 2nd, 1777, with more than 8,000 men. Washington, again in a desperate position, moved away as Cornwallis came up, and succeeded, by another daring

surprise attack, in defeating his enemy's rear at Princeton and taking possession of his artillery and baggage. Cornwallis hastened after him; but the American army had hurried back to Trenton, collected all the boats for seventy miles along the northern bank of the Delaware, and got safely across. The English, owing to the lack of boats, were unable to pursue their enemy. Both armies then went into winter quarters, Cornwallis between Delaware and the Hackensack and Washington at Morristown. Another English force, under Clinton, had in the meantime gained many successes in Rhode Island; and Sir Guy Carleton, having driven the Americans before him, and omitted to follow up his advantage, retired to winter quarters at Quebec.

In one other direction the Americans had made headway. Privateering had been carried on with much daring, and by the end of 1776 it is said as many as 350 British ships had been captured. The grave condition of American commerce had been partly alleviated by the opening up of trade with France, Spain, and Holland, chiefly by way of the West Indies; and the flag with thirteen stars and stripes, the national standard authorised by Congress, was hoisted for the first time on the American mercantile marine. French assistance was also forthcoming here; and many volunteers, of whom the young Marquis de Lafayette is perhaps the best known, offered their services. Lafayette fitted out a vessel at his own expense, and afterwards enlisted as a volunteer in the American army, declining to accept payment. He was soon afterwards promoted to Major-General.

Congress, in spite of the ill-success of the American

arms, went on legislating while the combatants were in their winter quarters. Its most important task was the drawing up of the Articles of Confederation as a supplement to the Declaration of Independence. These were sixteen in number, and are so important for a complete grasp of the political development of the United States that most of them deserve to be quoted. It was resolved :

(1) That the thirteen states confederating should take the title of the United States.

(2) That each and all were engaged in a reciprocal treaty of alliance and friendship for their common defence and for their general advantage ; and pledged themselves to assist each other against all violence that might threaten all or any of them on account of religion, sovereignty, commerce, or under any other pretext whatever.

(3) That each state reserved to itself alone the exclusive right of regulating its internal government.

(4) That no one state in particular should either send or receive messages, begin any negotiations, contract any engagements, form any alliances, or conclude any treaties with any king, prince, or Power whatsoever, without the consent of the United States assembled in Congress ; that no person invested with any post in the United States should be allowed to accept any presents, emoluments, office, or title from any king, prince, or foreign Power ; and that neither the General Congress nor any state in particular should ever confer any title of nobility.

(5) That none of the said states should have power to form alliances or federations even among themselves without the consent of the General Congress.

(6) That no state should lay on any imposts or

establish any duties which might affect treaties to be hereafter concluded by Congress with foreign Powers.

(7) That no state in particular should keep up ships of war or land troops beyond the amount regulated by Congress.

(8) That when any states raised troops for the common defence the officers of the rank of Colonel and under should be appointed by the legislature of the state and the superior officers by Congress.

(9) That all the expenses of the war, etc., should be paid out of a common treasury.

The remaining clauses defined the functions and powers of Congress; and the fourteenth clause offered Canada the privilege of admission to the United States if she desired to join. It was further decided that no other colony should be admitted without the formal consent of at least nine of the states comprised in the Union.

Having disposed of these matters, Congress went on to authorise a loan of \$8,000,000, and a fresh issue of paper money was ordered. Special attention was then directed to obtaining foreign aid, without which it was quite evident that a humiliating surrender would have to be made to the superior forces of the home country. One American agent, Silas Deane, was already in Paris. Franklin and Arthur Lee were also sent there to lay the American case before the authorities; and so successful was Franklin in his negotiations that he was able to secure a gift of 2,000,000 livres from King Louis XVI, on the sole condition that the gift was kept a profound secret.

The English Parliament met on October 31st, and Lord North moved in Committee of Supply for 45,000 seamen for service in the following year. In spite

of severe criticism and allegations of corruption at the Admiralty, the demand was granted ; and heavy additional sums were voted for both the services. It was agreed that an extra half-million sterling should be allocated for discharging the duties of the navy, £4,000 for Greenwich Hospital, and three millions for the army. The latter amount included the payments to the German princelings for the use of their troops in America.

Some stir was caused in England towards the end of the year by various incendiary attempts to destroy the royal dockyards and storehouses at Portsmouth, Plymouth, and Bristol. Early in 1777 a man known as “ John the Painter ” was arrested. He admitted that he had been employed by Silas Deane to set fire to the dockyards of Plymouth, Portsmouth, Woolwich, and Chatham, as the most effective means of damaging the maritime power of Great Britain, and that besides giving him £300 in advance, Deane had promised him a further reward in proportion to the amount of work he did for the American cause. The man made a full confession before he was executed. The incident, coupled with that of the Whatley letters, which had not by any means been forgotten, gave rise to fresh indignation against the methods adopted by the Americans to advance their plans.

Beyond a few unimportant skirmishes, little was done in the spring of 1777. In June Howe, by some clever manœuvring, enticed Washington’s army from its strong entrenchment, and defeated it at Quibbletown, pursuing it as far as Westfield. The next heard of Howe was that he had put to sea, and Washington, not being able to understand the con-

tradictory reports of his whereabouts, proceeded to Philadelphia to interview Congress. It was afterwards learnt that Howe had intended to sail up the Delaware to Philadelphia; but, when he was told that the Americans had placed great impediments in the river, he made instead for the mouth of the Elk at Chesapeake Bay. Detained by contrary winds, he was not able to reach the Elk Head and land his troops until the end of August; and on September 2nd he began his march to Philadelphia. Having driven a portion of Washington's army from Iron Hill, he came upon the main body on September 11th, strongly entrenched and fortified on the forks of the Brandywine River. Lord Cornwallis, advancing from another point, attacked the American army in the rear. The battle which ensued resulted in the complete rout of the Americans, who lost 300 killed, 600 wounded, and 400 taken prisoners. The English losses were much smaller. This victory was to some extent balanced by the defeat of the English under General Burgoyne, who, after a series of minor disasters, found himself hemmed in at Saratoga, where he was compelled to surrender with nearly 6,000 men on October 17th. The battle of Saratoga was one of the decisive battles of the campaign, and settled the fate of the English in the north.

Washington was in the meantime endeavouring to retrieve the fortunes of the American army, which had fallen so low at Brandywine River. Philadelphia was captured by Howe and Cornwallis on October 4th, 1777. In addition to this, an intrigue was being carried on with the object of displacing Washington and substituting General Gates or General Lee. This was remarked by Lafayette, who wrote to Washing-

ton : " I see plainly that America can defend herself if proper measures are taken, but I begin to fear that she may be lost by herself and her sons. When I was in Europe I thought that here almost every man was a lover of liberty, and would rather die free than live a slave. You can conceive my astonishment when I saw that Toryism was apparently as professed as Whigism itself." Washington turned the complaint off with a jocular answer, and, indomitable as ever in the face of difficulties, made his arrangements for continuing the campaign.

After an engagement at Germantown, a suburb of Philadelphia, which resulted in the capture of the city, Washington moved his headquarters to Valley Forge, about sixteen miles away. It was a cruel winter for the American army operating in the south, as may well be judged from a despatch of Washington's addressed to Congress in reply to some carping remonstrance. " Without arrogance, or the smallest deviation from truth, it may be said that no history now extant can furnish an instance of an army suffering such hardships as ours has done, bearing them with the same patience and fortitude. To see men without clothes to cover their nakedness, without blankets to lie on, without shoes (for the want of which their marches may be traced by the blood from their feet), and almost as often without provisions as with them, marching through frost and snow, and at Christmas taking up their winter quarters within a day's march of the enemy without a house or hut to cover them till they could be built, and submitting without a murmur, is a proof of patience, of obedience, which in my opinion can scarce be paralleled."

The defeat of Burgoyne at Saratoga led at once to the final negotiation of two treaties between France and the United States, which were signed on February 6th, 1778, and ratified in the following May. The first concerned commercial matters, and obliged each country to protect the ships of the other. It was provided in the second that if the first treaty should lead to hostilities between France and England there should be an offensive and defensive alliance between France and the United States, neither country in such a case to make peace until Great Britain had recognised independence of the Colonies. This second treaty, which openly threatened the English command of the sea, was, naturally, of very great importance; for, in the event of a temporary loss of this command and a decisive American victory on land, there would have been an immediate end of British power on the entire western continent. The enthusiasm which this public acknowledgment of co-operation aroused in France is significant enough. "There is more enthusiasm for this revolution in any café in Paris," writes Colonel du Portail to the French War Minister, "than there is in all the United Colonies together." It must be remarked that the American agents—Franklin, Arthur Lee, and Deane—did not help to arouse this enthusiasm jointly, whatever they may have done individually. There was no doubt, of course, that Franklin was the only man of the three to whom France paid any attention. His humour, charm, and philosophic mind endeared him to the people. In spite of that his eminent colleague, John Adams, wrote home to say that Franklin was "too old, too infirm, too indolent, and too dissipated," to

be of any value as a negotiator. This is by no means an unfavourable specimen of the manner in which the American officials in Europe spoke of one another.

By 1778 the slow progress of the war was beginning to cause some anxiety in England. The British army had been contending with the rebels for three years, and all they had to show was the possession of New York, Newport, Philadelphia, part of the Delaware River, and the lower bank of the Hudson. It was a trifle, and it had cost a huge fortune. In addition to the millions which had been spent lavishly, the whole colonial trade was gone, more than 20,000 English troops had died of wounds or sickness or had been killed in action, and hundreds of English merchant vessels had been captured or sunk. It was clear that if the French were now about to join openly in the struggle the English would be at a great disadvantage. Another attempt was therefore made by Lord North to reach some stage at which conciliation would be practicable. The Government introduced two Bills: one provided for a declaration by Parliament renouncing all right to tax the American Colonies; the second provided for the appointment of commissioners who should attempt to bring about the reconciliation. The Bills were passed, and three commissioners were appointed to act with the English naval and military commanders in America for the desired end. But their overtures were unavailing. Ironically enough, Congress returned an answer to the proposal on the anniversary of Bunker Hill, demanding as an indispensable preliminary that the English Government should recognise the independence of the United

States. This brought the negotiations to an immediate conclusion.

The incompetence shown by the British commanders during this war has often been commented upon. Nevertheless, some allowance ought in justice to be made for them. We have not yet generally taken Lord Salisbury's excellent advice to study large maps; and it is too seldom recollected that Howe and his colleagues were operating in a district nearly 1,700 miles long by about 500 miles wide. New York State alone is very nearly as large as England. Means of communication were bad, even in the summer, and in the winter it was almost impossible for the commanders to keep in touch with one another. Very great difficulty was experienced with the Hessian troops, who would not submit to control, and were continually guilty of outrage and insubordination. It has been urged that the English never had a definite plan. The accusation is quite true; but the circumstances were such that no definite plan could well be formulated. Many of the officers who commanded regiments in the American war could have fought their way without difficulty in France, the Low Countries, or even Spain and Portugal; but America was new, unfamiliar, unexplored. The very vastness of the land, if nothing else, rendered a definite plan impracticable. It was impossible for Howe in the south to keep himself informed of the movements of Burgoyne and Carleton in the north, or to issue more than vague and indefinite commands to them.

On June 18th, 1778, Sir Henry Clinton, who was now the British Commander-in-Chief, in place of Gage, evacuated Philadelphia with the object of con-

centrating his forces before the French appeared in the field. Washington at once moved forward from Valley Forge in pursuit. General Lee, once again neglecting his instructions, refused to carry out Washington's command to attack, and only the arrival of the Commander-in-Chief himself saved the army from falling into a somewhat difficult position. Lee's dismissal followed shortly afterwards, though it is only fair to him to say that some military critics believe that an attack in the circumstances might very possibly have led to the severe defeat of the Americans. After some little skirmishing Clinton was left to continue his march to New York in comparative peace.

The French fleet arrived in July 1778, but too late, as Washington remarked, to be of very great service. It was too late to surprise the British fleet in the Delaware, and too late also to render assistance in attacking Clinton on his march from Philadelphia to New York. The warships, again, were of too great a draught to sail far up the channel in order to bombard New York. An engagement between the French fleet and the English fleet off New York (August 10th) was interrupted by a storm, and the French Admiral, D'Estaing, not at all pleased by the comments of the junior American officers and the people, sailed for the West Indies in November, when some necessary repairs to his ships had been effected. The American position, apart from the surrender of Burgoyne—who was beaten, it may be added, by a joint French and American army—had again taken an apparently hopeless turn. The paper money authorised by Congress had become depreciated to an alarming extent; it was impossible

to raise loans ; and an attempt to regulate prices had brought disaster after disaster upon the tradespeople.

The summer and autumn of 1778 closed without any action of consequence being taken by either side. The American position seemed gradually to become more and more hopeless, and Washington himself was in despair at the proceedings of Congress and the officials in Philadelphia. His letters and reports about this period show him to be in a state of great depression. "The common interests of America are sinking into irretrievable ruin. If I were to be called upon to draw a picture of the times and of men, from what I have seen, heard, and in part know, I should in one word say that idle influence, dissipation, and extravagance seem to have laid fast hold upon most of them ; that speculation, speculation, and an insatiable thirst for riches seem to have got the better of every other consideration and almost of every order of men ; that party disputes and personal quarrels are the great business of the day, whilst the momentous concerns of empire, a great and accumulating debt, ruined finances, depreciated money, and want of credit, which, in its consequences, is the want of everything, are all secondary considerations, and postponed from day to day, from week to week, as if our affairs wore the most promising aspect."

It is of very great importance for us to realise that this salient trait of American character was present from the very beginning of Anglo-American history as it is present now. At a very early period, as has already been stated, Puritan settlers had an eye to a bargain ; and despite differences of principle and readiness to intervene, Massachusetts—the chief

northern state—was always slow in coming forward to oppose the Crown unless the pockets of citizens were affected. All through the course of American development we shall find this peculiar emphasis of money-getting, to the almost complete exclusion of nobler ideals; a determination to make the financial best of a bargain no matter what the circumstances might be. The country might go to ruin, armies might be defeated in the field, soldiers might suffer from want of boots and clothing; but all that mattered very little to the politician and the speculator. The proceedings that led to the war drew out the best traits of the Anglo-American character—that is to say, the residue of the nobler aspects of the old Puritan morality—but during and after the war a new situation arose, and the descendants of the early settlers in the new country were more and more controlled by men whose example, if it teaches us nothing else, is at least useful as showing to what depths an unguided democracy may sink.

If Washington had complained of the financial and moral situation of the United States, he might have been promptly reassured on learning that Lord North was little better off in England. The King, hardly yet realising the difficulties of his own position, kept putting off the acceptance of his minister's resignation; and the bitterness which had arisen between England and France in consequence of the French treaty with America led to the withdrawal of the ambassadors—the Marquis de Noailles from London and Lord Stormont from Paris. In spite of the clear necessity for the resignation of the ministry, Chatham would not approach the King and the King would not approach Chatham; and

in any case Chatham, although he opposed the war and sympathised with the Americans, could not bring himself to recognise their independence. The difficult position of the administration was further confused rather than relieved by his death on May 11th, 1778, after a dramatic seizure and collapse in the House of Lords. War with France being inevitable, Admiral Keppel took the initiative, and attacked D'Orvilliers off Ushant, so that England found herself with another conflict on her hands.

In addition to these naval operations in home waters, the commercial world was beginning to feel the effects of the American naval attacks. So far as the figures can be ascertained, it would seem that more Americans were engaged in naval operations than on land. The number of troops opposing the English on land does not appear to have been at any time more than 65,000; but as many as 70,000 sailors were attacking the English merchant vessels and doing considerable damage. The first Commander-in-Chief of the American navy was Admiral Ezekiel Hopkins, who was appointed in 1775, and he was ably assisted by the notorious John Paul Jones.

One example may be given of the parsimonious way in which the ministry endeavoured to carry on the American war. In view of the departure of the French fleet for American waters, it was decided to send men to protect the West Indies. Instead of sending out troops from home, however, the ministry instructed Clinton to send 5,000 of his men from New York—and this in spite of the fact that he had just previously sent 3,500 men to Georgia. His force in New York was now so greatly reduced in numbers that he could do nothing more during the remainder

of the year, while Washington had time to reorganise the American troops and to await reinforcements from France. The main difficulty which continually pursued the Americans was lack of money. The currency had depreciated to such an extent that, to use Washington's own phrase, it required a wagon-load of money to purchase a wagon-load of provisions. Dozens of speculators, neglecting all patriotic considerations, began to gamble on the currency, amassing fortunes for themselves and almost beggaring the nation and the best elements in it. The fate of Robert Morris may be taken as an interesting case in point. Morris, one of the world's financial geniuses, took over the superintendence of the Treasury at Philadelphia, and almost immediately effected a saving of more than £2,000 a month in salaries alone. This turned against him the anger of disappointed office-seekers, and his succeeding attempts to purify the service brought down on him the resentment of hundreds of influential men who were benefiting by the widespread corruption. Although, therefore, Morris managed to save the administration enormous sums of money, he was unable to combat the intrigues against his own affairs. The result was that after his period of service was over he was compelled to go into bankruptcy, and he died almost in poverty. His fate was the fate of many other patriots only slightly less brilliant than men like himself and Washington.

In June 1779 Spain definitely took the side of the French in the war, after vainly offering her services with a view to mediation. The junction of the French and Spanish fleets, and the quarrels between the commanders, which led to no result, were well

summed up by Lord North himself in the words: "Our enemies fitted out a formidable fleet; they appeared upon our coasts; they talked big; threatened a good deal; did nothing and retired." In America the naval operations were confined almost exclusively to the West Indies, which were attacked by the French; but on land hostilities were confined chiefly to the south. The English troops met with considerable success: Charleston fell after a short siege, and South Carolina was practically at the mercy of the British. In the north all such minor engagements as there were had favourable results for the English troops; but, thanks to the carelessness of the leaders and the contradictory instructions which came from London, hardly any advantage gained was followed up.

At home the ministry was troubled in the early days of 1780 by a declaration of the Empress Catharine of Russia in behalf of the Neutral States. This declaration was to the effect that such states had a right to carry on their commerce in war as at times of peace, provided only that their ships conveyed no contraband articles. This proclamation was altogether at variance with the rights of search and blockade as asserted by England with respect to neutral nations. To support the Empress, however, a league known as the "Armed Neutrality" was formed, and, towards the close of 1780, one of its members, Holland, declared war on England. Neither Holland nor Spain wished to aid the United States; but, of course, the indirect help their intervention afforded was considerable.

When Parliament assembled early in 1780, after the Christmas recess, the subject of economic reform

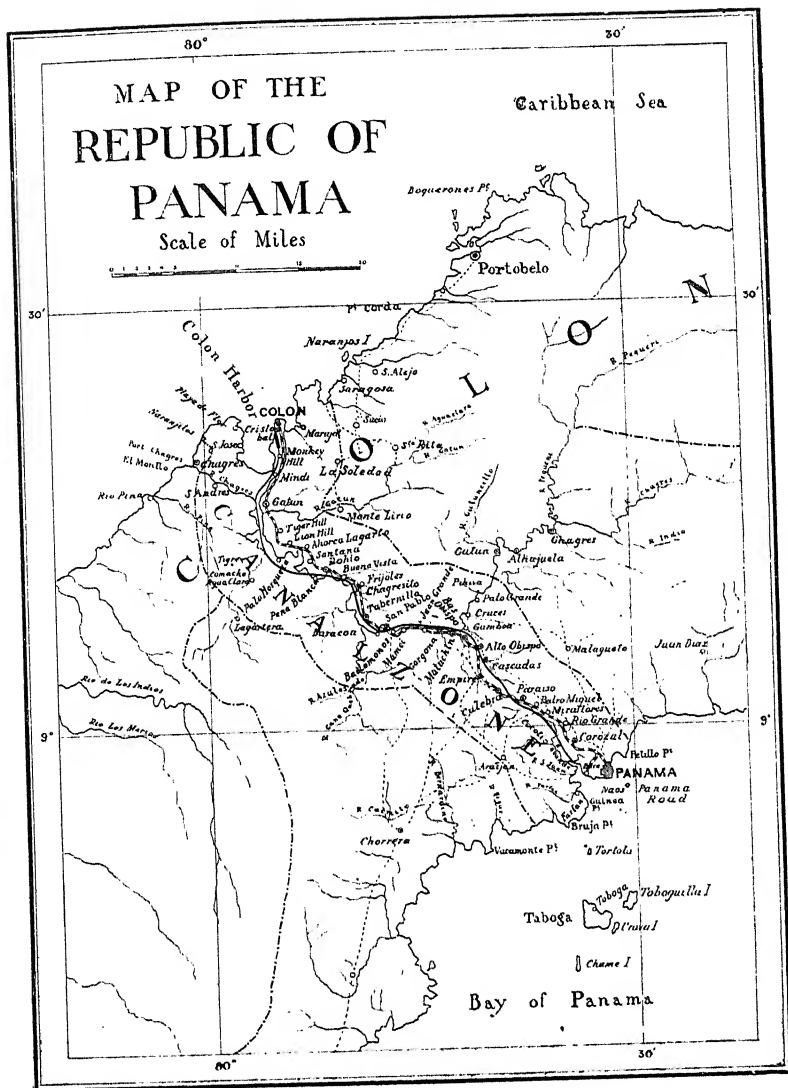
was at once introduced in both Houses, after Burke, Fox, the Marquis of Rockingham, Sir George Savile, the Duke of Richmond, Lord Shelburne, and scores of other well-known statesmen and politicians had organised meetings of protest throughout the country against the American war, the extravagance of the administration, and the corruption of the wealthy contractors who filled the House of Commons. The influence of the Crown and a powerful section of the aristocracy caused the proposed inquiry to be shelved, even though Burke had introduced five Bills to deal with the expenses of the royal family and of the nation generally. It was in the course of this session that Dunning brought forward his celebrated resolution, "That it is the opinion of this committee that the influence of the Crown has increased, is increasing, and ought to be diminished." As much to the surprise of its mover as to that of the House, this resolution was carried by 233 votes to 215; and further motions by the same speaker were carried without a division. Before definite action could be taken, however, the anti-popery agitation in London led to the havoc of the Gordon riots. The inevitable result was that the attention of the whole country was instantly withdrawn from America, France, Spain, and economic reform, and concentrated on the furious destruction which the mob carried on for days before the eyes of the citizens.

Although Digby and Rodney harassed the French and Spanish fleets, and, in fact, almost destroyed for the time being the naval power of Spain, the war in America was coming to a conclusion. Washington found himself well supported by a soldier whose abilities had become manifest during the war. This

was General Greene, who, with General Morgan, inflicted a series of defeats on the English under Lord Cornwallis. At The Cowpens, in South Carolina, on January 17th, 1781, the English were routed; and at Guilford, in North Carolina, on March 15th, they suffered a defeat of almost equal severity. Greene met with a temporary check at Hobkirk's Hill in South Carolina, where he was defeated by Lord Rawdon on April 25th; but he retrieved this by fighting a battle which, although technically "lost" by the Americans, had the effect of compelling the English to retire from Eutaw, where it was fought on September 8th, into Charleston.

It seemed for a brief moment as if this successful advance were once more to be checked. Cornwallis managed to enter Virginia almost at the same time as General Phillips, at the head of a large body of English troops and mercenaries, entered Pennsylvania. The Carolinas were once more cut off, and the administration of the United States again lost all the prestige it ever had. The American army was mutinous, and a revolt actually broke out in New Jersey. So gloomy did the prospect for the Americans appear that it was seriously proposed that Mississippi should be offered to Spain in return for substantial assistance, and that the United States should waive her demand for recognition of independence in order that peace negotiations might be entered into.

When it seemed at this moment as if the war had terminated in favour of the English, the whole situation was changed by a brilliant manceuvre on the part of Washington, who, with the assistance of the French soldiers, the French fleet, and the army of General Greene in the south, managed to compel Lord Corn-



wallis and his 8,000 men to withdraw to Yorktown, where they were besieged by 9,000 Americans, 7,000 French, and the French fleet. The English forces were without food supplies and ammunition. In the circumstances the siege could only have one ending, and on October 19th, 1781, less than three weeks after it began, Cornwallis capitulated. It was remarked by observers that as the English officers and men filed down the ranks of the conquering armies—the Americans on the right and the French on the left—they saluted with elaborate courtesy all the French officers, but refrained from paying the slightest mark of respect to any American officer, even the very highest.

This was the decisive victory of the campaign. The news of it reached London on November 25th, and Lord North could only exclaim, "Oh, God! it is all over." In spite of the British successes against the Spaniards, the French, and the Dutch, the attacks of the Opposition on the Government, especially the speeches of Fox and Pitt, were too much for it, and Lord North resigned on March 20th, 1782. A new Cabinet was formed under Lord Rockingham, and assumed office on March 28th. In the following month proclamations by Sir Guy Carleton on the part of the British, and by Washington on the part of the Americans, announced that hostilities had ceased. By the definite Treaty of Peace signed at Paris on September 3rd, 1783, America secured her independence, but had to agree, much against her will, to make good her debts and to provide for the Loyalists whose property had been confiscated.

Only from the close of the war onward is it possible to consider American history for the first time as a

separate subject, and not as an appendage, however important, to the history of British imperial development. Up to the very beginning of the war the Americans generally looked upon themselves as loyal British subjects; up to the last they professed their willingness to defend the person and throne of the King. Their dislike extended no further than Lord North's ministry; for they were under the impression that the ministry, and not the King, was responsible for the exasperating political and economic conditions in which they found themselves. Even after the war broke out there were Loyalists and "Tories" who supported the English by words, and often by actions as well. There was every excuse for these people while the war lasted, since the fate of the Colonies was not really decided until Cornwallis surrendered at Yorktown. When the war was over, however, the United States at last formed a separate though not united nation, and could develop without having to reckon with the feelings of a London ministry, in addition to the problems to be faced nearer home.

From 1783 to 1788 the history of the United States is barren of noble deeds, or attempts to realise the high ideals suggested in the Declaration of Independence. It is a period which is likely to give delight to no one but the cynic, and yet those five years are probably the most important through which the republic has ever passed; more important even than the period of the great civil war. During the five years following the conclusion of peace, all the worst elements in the political life of the western world began to increase their power, and the thirteen states which had just brought a successful war against a

powerful country to an honourable end were all but wrecked by internal faction.

Reference has already been made to the differences which characterised the separate countries and kept them apart. They were religious, social, and economical; but the provinces had hitherto paid comparatively little attention to their political differences—it was hardly necessary. With the end of the war, these political differences began to be felt as much as the economic differences; and it became questionable for a time whether Congress would prove to be an effective body or not. Rhode Island and Connecticut had always been republics in the customary sense of the word. Pennsylvania, Delaware, and Maryland were organised politically after the examples of hereditary monarchies, and the remaining eight colonies resembled vice-royalties, their governments being appointed by the King.

At the end of 1782, therefore, when the issue of the war was no longer in doubt, there was a perceptible pause in the working of the new administration. The number of really patriotic and self-sacrificing men in Congress was small; this national assembly, as a body, had become as corrupt and susceptible to financial influence as any English parliament of the time. All the glamour had fallen away from it, and there was no single national body in the land to which one could look for the exercise of authority. The army was in a state of mutiny. Even the best classes of soldiers were loud in their complaints, for their disinterested services to the State had been very poorly paid for and had made beggars of most of them, while other men, who had taken no active part in the campaign, had made fortunes by speculating in

the currency or by some equally disreputable method. Earlier in the year—in May, to be precise—some of the disaffected soldiers had gone so far as to suggest that the best way to remedy the chaotic national disorganisation would be to appoint Washington King of the United States and to confer upon him almost despotic authority. The formal offer of a crown was actually made to him, only to be rejected with contempt. This very instance, however, taken in conjunction with many other symptoms of unrest, made it clear that something very definite and far-reaching would have to be done if the country were not to fall into complete anarchy.

As was customary at times of crisis, Washington again came to the rescue. His moral position was strong; for, at the beginning of the war, he had refused to accept any payment for his services, and he repeated his refusal at the conclusion of the campaign. When, therefore, he appealed to Congress and to the nation in behalf of the army, his views obtained the prompt recognition they deserved. Reasonable provision was made for officers and men; and the spirit of mutiny, which at one time threatened to spread through the whole army, was checked. It was not altogether quelled, for in the summer of 1783 a body of Pennsylvania levies marched upon Philadelphia when Congress was in session. An inquiry showed that these men had not been very long enlisted: they were, in Washington's words: "Recruits and soldiers of a day, who have not borne the heat and burden of the war." A force of regular troops overcame these rebels, and during the remainder of the year the army was gradually disbanded. The Commander-in-Chief formally resigned his commission on December 23rd.

CHAPTER III

After the Revolution—Risings in the new states—Difficulties of the Central Government—Political intrigues.

WASHINGTON, who had at no time allowed his military duties to occupy his whole attention, was fully convinced that the end of the war foreshadowed the coming of new and even more intricate problems. One aspect of a grave question had been settled by force of arms—the United States and England were now distinct countries. The more important problem of arranging for a national government remained to be decided, and little light was to be expected from the fierce heat of party passions in America at that moment. In spite of Washington's growing unpopularity with two or three of the political groups which were beginning to be formed, the nation as a whole looked to him for advice and initiative. When the army came to be disbanded, Washington took a preliminary step towards explaining the political situation as it appeared to him. "According to the new system of government the States shall adopt at this moment," he wrote, "they will stand or fall; and by their confirmation or lapse it is yet to be decided whether the revolution must ultimately be considered as a blessing or a curse—a blessing or a curse not to the present age alone, for with our fate will the destiny of unborn millions be involved. There are four things which I humbly conceive are essential to the

well-being—I may even venture to say to the existence—of the United States as an independent Power :

(1) An indissoluble union of the States under one federal head.

(2) A sacred regard to public justice.

(3) The adoption of a proper peace establishment.

(4) The prevalence of that pacific and friendly disposition among the people of the United States which will induce them to forget their local prejudices and policies ; to make those mutual concessions which are requisite to the general propriety, and in some instances to sacrifice their individual advantages to the interests of the community.”

The references to the interests of the community and to local policies explain the weak point of the administration at this period. Most of the people had by this time forgotten that they rose in arms against England, not so much because of excessive taxation as because the Home Government insisted on taxing them without their consent. This primary grievance had been further obscured by the articles of men like Tom Paine, who laid far too much stress on the “freedom of the individual” without apparently knowing what they meant by the expression. Paine had explained to a large and enthusiastic circle of leaders that all government was a necessary evil, that “the palaces of kings are built on the ruins of the bowers of Paradise,” that a return to nature would be a return to happiness, and, further, that since government was a necessary evil it should be looked upon with suspicion and prevented from interfering more than was absolutely necessary with the rights of the private citizen. In fact, there was a school of writers—and not an insignificant school, either—who

maintained that there were certain "inalienable rights" which no government could take away from the individual. This belief was not without its influence on the Declaration of Independence, where it was definitely set forth that the English sovereign had taken away these inalienable rights.

After the war the people took it almost for granted that these views would be practically applied. Instead of this, they found their Congress, shorn of its glory though it was, clamouring for more and heavier taxes than the ministers of George III had ever dared to ask for; and they discovered, further, that this same Congress was discussing the drawing up of a constitution which would take away many of the rights and privileges of the various states in order to establish what appeared to them to be a somewhat amorphous general administration, the principles or outlines of which were not known either to the Congressmen themselves or the people. Educated politically, so far as they could be said to be educated at all, on the doctrines of Tom Paine and his like, the American people could not see why it was necessary to invest a central government with extensive powers; for, they asked, if the people are to rule, then government and people must be one and the same thing. This fallacious argument was answered by another, logically sound and equally fallacious—namely, that if the Government were the people, to limit the powers of the Government meant limiting the powers of the people themselves.

This was the wrangling spirit with which Washington and perhaps a dozen other leading men had to deal after the war. One of them, John Hay, the first Chief Justice of the United States, murmured

pathetically, "It takes time to make sovereigns of subjects"; and it was precisely this that had to be done. Further difficulties were caused by the natural confusion that would have resulted even in a long-established and orderly state from such a long war. Several thousands of the wealthiest and most prominent citizens of the country had been banished or had gone into voluntary exile because they did not approve of the revolution. Shallow political principles had led every man to believe that he could be his own king, and the usual anarchy was the result. In addition to the financial troubles already referred to, there was the essential fact that the war had been waged to uphold the authorities of local government against a central government, and the people were almost unanimous in refusing to countenance another central government, even though it would have been formed by themselves. In short, the conditions of union, which were so well appreciated in 1860 that men by the thousand willingly gave up their lives rather than split the nation in half, were not understood at all in 1783.

The fears of the most far-seeing Americans that the country might become so divided as to form a prey for England, France, and Spain were the hopes of European statesmen. Spain looked forward to adding one or two of the southern states to her North American possessions; France looked forward to recovering lost territory in the north. The manner in which the "United" States regarded one another justified this attitude of the European Powers. Even at the end of the war the inhabitants of one part of the country knew very little about the inhabitants of another. So remote from Virginia was South

Carolina that the Virginians looked upon their neighbours as belonging rather to the West Indian group of colonies than to the group of continental republics fringing the Atlantic seaboard. Life in New England States was very different from life in Georgia. When John Adams left his home in Braintree, Massachusetts, to attend the Congress at Philadelphia as one of the delegates of his state, he and his family earnestly believed that he was undertaking a very long and hazardous journey, and his letters home were read as if they had come from some far-off and almost uncivilised country. "Of the affairs of Georga [*sic*] I know as little as of those of Kamskatska." Brissot de Warville wrote a book about his travels in America at this time, and tells us that the journey from New York to Boston took four days in a clumsy, uncomfortable coach, even when the weather was favourable. America at the close of the eighteenth century was in a very much less developed condition than Western European countries; and the inhabitants of even the Independent German States were bound together by closer ties than the people of Rhode Island and Georgia.

One striking instance will show the jealousy and suspicion of the people. When the army was disbanded, the officers formed a society, known as The Cincinnati, so that they might keep up their relations with one another and render such assistance as they could to those among them who might fall into distress. It was at first proposed that membership of the society should be hereditary, descending from father to son or other male relative. It is almost impossible for us at the present day to imagine the uproar which this provision caused.

The social and philanthropic objects of the society were entirely overlooked, and it was criticised on all sides as a Loyalist body of "aristocratic order" and "superior caste." Not even the great services which all the men concerned had rendered to the nation prevented them from being insulted at every turn. Nor did the outcry greatly lessen when the obnoxious clause in the regulations was withdrawn at the first general meeting of the society. In order to counteract this alleged aristocratic influence the "Society of Tammany or Columbian Order" was founded in 1779—a body from which afterwards sprang the notorious "General Committee of the Tammany Democracy."

This latter committee was chartered as a charitable body in 1805. It soon devoted itself to political intrigue, organised New York City and even the state into districts, each under its local head, secured control of the municipal government, and consolidated its position from year to year. It could reward its followers, great and humble, and it could subject its enemies to petty acts of persecution. It did both; and, although "Tammany" has become a synonym for corruption, it would, at times, have been a difficult matter for its opponents to prove that they were less corrupt. At any rate, Tammany Hall is the one political "machine" in the world which looks after its supporters with patriarchal care; and this, in spite of its admittedly excessive generosity with the public funds, deservedly secures for the institution the gratitude and esteem of thousands of perfectly respectable voters. Corruption is, of course, to be deprecated; but the corruption of Tammany Hall is relatively meagre if we compare it with the corruption which has been a feature

of European politics in the past and from which we must surely admit they are not yet entirely immune.

The financial condition of the different states, to resume our subject, was now the first care of all concerned ; but, unfortunately, the measures devised by the leaders of the people did not always meet with the approval of the people themselves. Madened by the oppressive taxes, the citizens of Exeter, New Hampshire, rose in arms and besieged the meeting-place of their local legislative assembly. In Massachusetts a body of armed men, under Captain David Shays, prevented the Court from holding their usual sittings, in order that they might not be able to authorise the collection of taxes. Shays's rebellion, as it was called, was a rather serious affair, for at the beginning of 1787 he had command of 2,000 men. Congress not having power to interfere with the internal affairs of the states, raised the plea of a feared Indian rising, and a body of militia was formed to deal with the insurgents. The miniature revolution lasted fourteen months, but such was the state of the country and the bitterness of feeling that it was not thought expedient to execute any of the ringleaders.

Another dispute arose in Wyoming, a body of settlers not wishing Pennsylvania to take over their territory as had been arranged by the Government. Many farmers of Pennsylvania and Connecticut armed themselves and threatened to set up an independent government. The western counties of North Carolina actually did set up as an independent state under the name of Franklin or Frankland in 1784, and were not finally subdued until 1788.

The disputes in Wyoming and North Carolina were almost entirely connected with the land. There

were large territories to the west which still lay unexplored. They were claimed by the larger states of the union, which naturally had the effect of uniting the smaller states against the larger. Congress at length persuaded the latter to give up their claims to territory so remote from theirs, but this was the only instance in which the Central Government could point to any degree of success in the exercise of its nominal authority. Its previous appeals to the states had invariably been made in vain. Robert Morris, for example, had recommended the establishment of a national bank—the Bank of North America—in 1781; but several individual states refused to consent to the scheme, which fell through. Again, in 1783, Congress decided that the time had come to levy a duty on imports; but the maritime states thought otherwise, and once again the central authority suffered a rebuff. In 1786, with truly pitiful representations of national insolvency, Congress once more urged the establishment of a bank. New York held aloof from the project, and once more the dignity of Congress was hurt.

British garrisons still held certain posts in the west, and a demand was made, in accordance with the provisions of the Treaty of Peace, that they should be removed. John Adams, the first American ambassador to Great Britain, entered into negotiations to this end; but he was met with the pre-emptory demand for the payment of debts owing to British merchants by the Americans, this payment being guaranteed by another clause in the Treaty. This British claim, more than anything else, showed the world how uninfluential a body the American Congress really was. It could exercise no authority

over the states to make them discharge their liability; and, indeed, five states were already in the act of introducing measures to prevent British debts from being collected. Once more, in 1787, Congress remonstrated with the states, and once more the remonstrance was disregarded.

Amid all this confusion, however, the innate traditional characteristics of the people were as strong as ever, and accomplished more for the American nation than all the writings of Tom Paine and the loose thinking of other political theorists. The definite trend of the British people towards democracy was shown by the extension of the franchise from holders of land only to all "Freemen" who paid taxes. Indentured service became rarer, though this, of course, may have been due to scarcity of labour as much as to the natural repugnance felt by the British people towards chattel-slavery. Massachusetts declared all men to be free and equal by her own Bill of Rights, and this was interpreted by the Supreme Court as meaning that coloured labourers could no longer be held in bondage. Only South Carolina and Georgia took up a definite stand in favour of slavery; the other states either refused to permit the landing of further slaves or at least prohibited the transportation of slaves from state to state. In addition to this, the increasing spirit of liberty was shown by the fact that, even in the Puritan States, the restrictions upon the Roman Catholic population were gradually withdrawn.

In May 1787, after many preliminary negotiations, Congress summoned delegates from the various states "for the sole and express purpose of revising the Articles of Confederation." Washington was

elected President of this new Convention on May 25th. The Assembly was thoroughly representative of everything good and bad in the country. Financial interests were obviously strong, and selfish politicians, who cared little for what purpose they had met, were numerous. The balance was more than restored by the veteran Benjamin Franklin and by younger though equally sincere and resourceful patriots such as Alexander Hamilton and James Madison. The Assembly was about to learn that weight has always counted for more than numbers, and that sincerity in the long run invariably gets the better of selfishness.

The proceedings were opened by Governor Randolph, of Virginia, who introduced a series of resolutions for the proposed establishment of a National Legislature with two branches, a National Executive, and a National Judiciary of Higher and Lower Courts. Charles C. Pinckney then introduced a motion on somewhat similar lines. When both plans were referred to a committee of the whole Assembly, it was found that Randolph's, the so-called Virginia or "National" plan, was the more favoured, and at the end of two weeks it was recommended. At this stage New Jersey submitted an alternative plan considerably restricting the powers of the Government. This new "Federal" plan was also referred to a committee of the Assembly. A brief summary of the two plans between which the House had to decide, both of which were essentially of the Federal type, will not be out of place here.

Generally speaking, the "Federal" scheme was supported by the representatives of the small states, and the "National" scheme by those of the large states. The mere fact that a large state was in

favour of a plan was a sufficient reason why the small states should oppose it, and vice versa. The larger states, chiefly as the result of their generally dominant attitude, and their extensive claims to western territories, were as much disliked and feared by the smaller as England was before the war. Both parties started from the assumption that government resided in the states; and the Federal members held that a league formed by the different states was the only true type of general government. This view was opposed by the so-called “National” party, which maintained that the Convention had not met to create a constitution out of the states or for the states, but to create rather a constitution for the whole people. It is the people, they argued, who are to be governed and united, and from whom the power required for upholding the Constitution is to come.

The supporters of the National scheme added that, as the votes to be cast in the legislative branches of the new Government were not the votes of the states, but those of the people, the voting powers should be proportionate to the numbers of the people and not to the size or interest of the states. The Federal members, who had opposed the National plan on this very ground, objected. Our states, they said in substance, with their scanty votes will simply be absorbed by the larger states, which will then in practice legislate for the whole country. The Federalists were borne down in the Convention on this point; but, expressing their willingness to abandon their claim to equal voting in both Houses of the Legislature, they pleaded for at least an equal vote in the Senate. This moderate demand was also rejected by the majority, and a scene of considerable anger

and excitement followed. "We will sooner submit to a foreign Power!" shouted a delegate from one of the smaller states. It was only at the earnest request of Franklin that the delegates who were in the majority abated their pretensions and agreed to make the voting in the Senate equal.

This compromise, if it had no other immediate effect, at least prevented the Convention from breaking up, which it seemed on the point of doing when Franklin brought forward his motion. It did not, however, satisfy the smaller states, and it made the larger states highly indignant. The Federal party talked of secession, and the National party, equally embittered and tactless, talked openly of absorbing the smaller states of the union, at the point of the sword if necessary. After some delay and much heated argument the compromise was accepted, and then another question of almost equal importance had to be discussed.

Generally speaking, the northern states opposed slavery while the southern states insisted upon its necessity. The ethics of the matter were not discussed; but the northern delegates insisted that slaves should not be counted when the apportionment of representation came to be decided. Both parties agreed from the beginning that slaves should not be allowed to vote, but the south held strongly that the numbers of the slaves ought to be taken into account. A compromise was again reached, and it was agreed that three-fifths of the slave population should be reckoned with the whole of the white freemen when representatives were apportioned among the states. A minor detail was the compromise by which it was agreed to protract the slave trade for twenty years, until 1808. The central states were utterly opposed

to the traffic ; but the north, mindful of its shipping interests, was ready to make a bargain with the south, and the bargain was struck.

The Convention at length agreed upon a constitution, which was signed by all the delegates on September 17th, 1787, with the exception of three. Gerry, of Massachusetts, hinted that civil war was about to ensue, and Randolph and Mason, of Virginia, also refused to sign. When the document was communicated to the different states, and published, it met with a very mixed reception—a “bad press,” as we might say nowadays. It was thought by many leaders of opinion that the Constitution had been made too strong, that it conferred far too many powers on the central authority and took too many away from the individual states.

It need not surprise us that there was so much opposition to the Constitution and that such great difficulty was experienced in drawing it up. It was hardly realised at the time, though it has been clearly understood since, that there were no political precedents for the position of the American Union. The examples drawn from ancient Greek history were too remote and distant to be of service to the modern state, even if the delegates had been thoroughly familiar—which they were not—with the principles on which Lycian and Achæan leagues were formed. The German Empire of the time was not so solidly established that the delegates cared to draw conclusions from it. There was no half-patriarchal, half-monarchical authority such as that of the Stadtholder that held the United Netherlands together. The Swiss Confederation had split up into Protestant and Roman Catholic divisions, or rather factions.

The few scholars among the delegates, therefore, could find no real precedent, and their training and eloquence were not always sufficient to convince their colleagues.

Political scientists have one very good reason for being grateful to the stubborn public men of the time who refused at first to accept the Federal Constitution. There was a group of controversial writings on both sides of the question, but the most important of them all was the series of essays contributed to a few New York papers between the autumn of 1787 and the spring of 1788. These essays were written chiefly by Alexander Hamilton, but partly also by James Madison and John Jay; and their object was to induce the people of New York State to ratify the Constitution as it had finally been drawn up. "The Federalist," the title given to the collected essays, had a very great influence beyond the boundaries of New York State, and the book has ever since remained a standard work on federal government.

Delaware was the first state to assent to the Constitution, which its Assembly did on December 7th, 1787. Those who possessed different interests in the large states endeavoured to oppose the unconditional adoption of the Federal plan, but their interests, as it happened, were found to conflict to such a degree that they could not combine to support one another in their opposition. Those who were prepared to uphold the decision of the Convention, therefore, were able to carry the day; and one by one the remaining states were induced to follow the example of Delaware in ratifying the Constitution, though not all of them did so unanimously. Of the remaining twelve out of the thirteen original states, Pennsylvania notified its ratification of the Constitu-

tion on December 12th, 1787, by a vote of 46 to 23 ; New Jersey on September 18th (unanimously); Georgia on January 2nd, 1788 (unanimously); Connecticut on January 9th, 1788 (by 128 to 40); Massachusetts on February 6th, 1788 (by 187 to 168); Maryland in April (by 63 to 12); South Carolina on May 23rd (by 149 to 73); New Hampshire on June 21st (by 57 to 46); Virginia on June 25th (by 89 to 79); New York on July 26th (by 30 to 28); North Carolina on November 21st, 1789 (by 193 to 75); and, lastly, Rhode Island on May 29th, 1790, by a vote of 34 to 32.

It will be observed that in a few instances, notably those of Massachusetts, New York, and Rhode Island, the Constitution was ratified by only a very small majority, proving that there was a sufficient amount of discontent remaining to give the Central Government a great deal of trouble if it behaved in a tactless way or endeavoured to exert too much authority over the states. The sudden change from anarchy to at least the appearance of order was striking and impressive. States at loggerheads with one another over economic and religious questions, a mutinous army, a Congress fallen into contempt, an entire lack of central authority, the general disruption of what at one time promised to be a powerful and united nation—all this in a comparatively short period had given way to a powerful central body, the decrees of which were, with certain important exceptions, obeyed by the individual states; to a written Constitution which, interpreted by the Supreme Federal Court, was worshipped in the north and respected in the south; to the reconciliation, as far as federal government was concerned, of most of the conflicting interests; and finally to the order, harmony,

and possibilities of development that naturally followed from the new state of things.

Nor did those who had striven so hard to have the Constitution carried into effect regard it merely as something which should benefit America alone. "I conceive," said Washington, "under an energetic general government such regulations might be made, and such measures taken, as would render this country the asylum of pacific and industrious characters from all parts of Europe—a kind of asylum for mankind." The two extremes of opinion concerning the American Constitution are to be found in Gladstone's assertion that "it is the greatest work ever struck off at any one time by the mind and purpose of man," and Sir Henry Maine's view that the Constitution of the United States "is a modified conversion of the British Constitution which was in existence between 1760 and 1787." It is hardly necessary to add that this almost lyrical praise of Gladstone's, whose knowledge of political science and of constitutional questions in general was neither wide nor profound, is very much further from the truth than Maine's more deliberate judgment. The delegates who drew up the Constitution were, after all, chiefly English or of English descent. They and their ancestors had lived amid Anglo-colonial influences; and it was impossible for them, even if they had wished to do so, to escape entirely from the atmosphere and habits of mind formed by the traditions of the English Colonies—traditions which had been accumulating during two centuries and a half. Bearing this in mind, we shall not be surprised to observe that all the essential features of the new American Constitution resemble those of

the old colonial governments. For example, the President had certain powers conferred on him. He was entrusted with the command of the army and navy; he had a veto on legislation, and he appointed his officials. These powers were identical with those long exercised by the English governors of the American Colonies. Again, legislatures of two Houses were the rule in colonial times, apart from the example of the British Parliament. It is on record that Madison drew up a statement setting forth the examples of federal government to be found in modern, mediæval, and ancient history, and submitted this statement to Washington in order that a new constitution for the United States of America might if necessary be based on the essential features of the various systems dealt with; but no trace of any European assemblies can be found in the American Constitution. Whether the examples referred to were put forward or not, we cannot now tell; it is sufficient for us to know that Anglo-colonial tradition—itsself formed largely by the early Puritans—was primarily responsible for the American Constitution as it now exists.

It is sometimes held that the American Constitution is "rigid," and that the unwritten constitution is more "flexible" and better adapted to the requirements of progressive communities. It is quite true that the members of the Convention had chiefly in mind the protection of property, exactly as their forefathers had, and that the rigid and stringent clauses of the Constitution have for a long time excluded such forms of revenue as an income tax—though the imposition of such a tax is now being discussed—and have prevented the passing into law

of measures designed to protect labour. Other defects of the instrument are apparent and are sometimes more apparent than real. Critics have pointed out that the Constitution made no provision for an annexation of territory; but territory has been annexed nevertheless, and new states are included in the Union. Trusts were not foreseen in 1787; but the Sherman Anti-Trust Law regulates them in theory, though in practice the great wealth of some of these organisations occasionally helps their directors to override both the letter and spirit of the law.

It should be added that the American Constitution in its final form was an agreement between sovereign states and not a popular arrangement. There was no popular vote such as there is for the election of President. Once the Constitution was ratified, no state could withdraw from it, and as the different ratifications were presented they set forth that they emanated from the Convention or Assembly of the state—not from the people. In American politics, too, it must be remembered, as in everything else, personality counts for a great deal, and may occasionally make the so-called rigidity of the American Constitution appear to the unbiassed observer as flexible as the English Constitution. A central government with a weak executive may be induced to yield to the desires of a state with a strong executive. The President's message to Congress may degenerate, as it has often done, into the mere formality of the King's Speech to Parliament, or it may, as in the case of Mr. Roosevelt's messages, become a powerful and inspiring force, modifying and suggesting the legislative plans of the Central Government.

The Presidential electors unanimously chose

Washington to be the first President; and, having consented to what he called "this last great sacrifice," he was formally installed in office on April 30th, 1789. The very critical period in the history of the country had been safely passed; but the difficulties before the President and the first Congress were formidable. According to the census of 1790 the white population of the United States numbered 3,172,464; the free blacks 59,466, and the slaves 697,897, so that authority had to be exercised over a population of nearly four million people. The machinery had been built, but Washington had to set it in motion, and on his skilful handling depended its breakdown or its success. The first Cabinet of the President was constituted of three departments, each in charge of a secretary—one of State, one of War, one of the Treasury—and an Attorney-General, the posts being filled for the first time respectively by Thomas Jefferson, Henry Knox, Alexander Hamilton, and Edmund Randolph.

Having disposed of a few amendments altering the Constitution in certain non-essential features, Congress immediately dealt with the question of revenue. It was almost at once decided to impose a tariff; but the details of this enactment were agreed to only after many wearying debates. In spite of the differences of opinion that prevailed, it was nevertheless clear from the first that one principle had been unanimously agreed upon—the principle that all duties on imports were to provide both revenue for the Government and protection for the industrial interests of the nation at large. In spite of the democratic tariff legislation passed in 1913 under the Presidency of Mr. Woodrow Wilson, it

may be confidently stated that this principle is still the basis of the new measures.

Congress also decided that the capital of the United States should be Philadelphia—at all events until 1800—though this was a decision which was not reached without much intriguing and some little dishonour. The debts of the Confederation amounted to \$54,000,000, or to \$80,000,000 including certain State debts contracted for general purposes. Hamilton's plan was that the Central Government should make itself responsible for a funded debt of \$80,000,000. Naturally, the Central Government would have been in a strong position if it had thus made itself responsible for the entire public credit of the country; but the influential groups who persisted in setting the rights of the states above the right of the central authority urged that State stock rather than national stock should be issued for the State debts, even though such debts had been contracted for what we should now call national purposes. The upholders of Hamilton's plan were at first defeated in Congress. They then endeavoured to induce the representatives of Virginia and Maryland to change their minds by promising that the capital of the United States should be fixed at some point on or near the Potomac, the tempting bait held out being that Philadelphia should be recognised as the chief city until 1800. This was agreed to, and the resultant votes enabled the Government to assume responsibility for a certain proportion of the State debts.

The establishment of a national bank was formally authorised in 1791, and the confidence of the public in national credit was such that all the shares issued

were subscribed for within two hours. When the transactions were finally completed the whole funded debt of the United States amounted to \$75,463,476. The taxable value of the country, it may be added, was considerably increased by the addition of Vermont to the Union (March 4th, 1791), Kentucky (June 1st, 1792), and the territory south of Ohio, which was admitted to the Union as the state of Tennessee on June 1st, 1796.

Opposition to the law, which had hitherto for the most part originated in the higher classes of society, was now beginning to spread and to appear in quarters where it had not previously been looked for. The Americans generally were not by any means so law-abiding as the majority of their English cousins—this being due, no doubt, to the revolutionary traditions which they had come to associate with England as the result of the stories of exile and persecution handed down from father to son. The impassioned character of the American people towards the close of the eighteenth century may be best compared with the excited condition of England just before the revolution of 1688. The temporary lull following on the ratification of the Constitution had given the party groups just time enough to formulate their programmes and to struggle amongst themselves with even more violence than they had shown in their opposition to English rule before the war. Washington himself, by far the most respected man in the country, had to learn that the gratitude of a nation is short-lived; and lesser members of the administration were involved in as fierce party controversies as ever ragcd.

At the urgent request of influential politicians,

Washington undertook his second term of office in 1792; but not even his great moral power was sufficient to calm the disorders which arose at every sitting of Congress between the Federalists and the former supporters of the "National" scheme, who now called themselves Republicans. In addition to these disturbances, the President had to give his attention to a new danger to the State. This was the formation of a political group calling itself the Democratic party, which was recruited chiefly from the ranks of the Republicans. It had no representatives in Congress when Washington assumed office for the second time; but people gradually came to look upon it as the most powerful political influence at the back of yet another revolutionary movement of a wide and somewhat serious character.

Among the taxes imposed by the first Congress was an excise duty on whisky. This tax was greatly resented by several counties in North Carolina and Pennsylvania, where distilling was carried on, and there had been so many riots and attempts to interfere with the work of the revenue officers that Washington, in 1792, issued a proclamation urging his fellow-citizens to uphold the laws of the land. The excitement quieted down in several districts; but in Pennsylvania it remained at a high enough pitch to cause the Government anxiety. The leaders of the movement in Pennsylvania were Colonel Cook, Albert Gallatin, a Swiss, and a lawyer named Bradford. Inciting their sympathisers to commit many acts of violence, these three men put themselves at the head of 7,000 people of all classes who objected to the tax and held an armed convention at Brad-dock's Field in August 1794. At this meeting it

was recommended by some of the insurgents that the Government should simply be terrorised into repealing the excise law, while others advocated the definite separation of a certain portion of Pennsylvania from the Union. A body of militia, however, decided the question by putting the gathering to flight shortly afterwards and taking numerous prisoners.

The relations between America and England during these years were not particularly friendly, and there was a feeling of bitterness on both sides. If the English could not conquer the Americans on the colonial territory, they could at least make their influence felt through the custom-houses on their own shore; and they did. Every possible kind of restraint was laid upon American trade. Although this was naturally resented by Americans generally, there were still some among them who showed a desire to cling affectionately to their mother country; and their influence was considerably increased when the French Revolution broke out in 1789. American principles, as was pointed out often enough at the time, were supposed to be represented in this great revolution; there were extreme patriots of the Tom Paine school who held that without America's example France would never have taken the step she did take.

The United States, who does not appear to have properly estimated the nature of her allies, was shocked by the outrages of the revolutionists, and when France declared war against England, in 1793, a definite attitude had to be taken up. The Federalists were strongly in favour of the United States remaining neutral. Some of them openly sympathised with Great Britain, and recommended that the alliance with France should be broken off and

assistance given to England. The Republicans, on the other hand—especially the extreme section of the Republican party known as the Democratic Republicans—sided with France, and rejoiced at the new difficulties which confronted the British ministry. On April 22nd, 1793, Washington, ignoring the extremists on both sides, issued a Presidential proclamation of neutrality. The country could not, indeed, have been anything but neutral. The Government was paying tribute to the Dey of Algiers, and at the same time endeavouring to hold the Spaniards to their obligations and to subdue the Indians. France, irritated by the attitude of the United States, laid an embargo on American shipping; but England, to protect herself after the declaration of hostilities, took even more extreme measures than this. In June the authorities ordered that the ships of a neutral Power carrying provisions to the enemy were to be seized, and in November instructions were issued to the effect that all goods destined for a French colony, and all vessels laden with the produce of a French colony, should be considered as lawful prizes. Further, so scarce were men at the time that the Government claimed the right to impress into the service of the navy all British sailors, wherever they might be found. The result of this last order was that American vessels were stopped and searched by British cruisers, and any English sailors on board were removed. Numerous American ships had, consequently, to complete their voyages short-handed and at very great risk.

These proceedings made the Republicans furious, and caused some uneasiness even amongst the Federalists. It continually happened that the sailors seized

were not English, but Americans, and in some cases Englishmen who had become naturalised American citizens. Drastic proposals were discussed in Congress, and only the influence of Washington calmed the members sufficiently to secure the passing of a comparatively mild Bill—a plan for laying a “temporary embargo” on American ports so that commerce with Great Britain might be suspended. Subsequently, in order that special measures might be discussed, a diplomatic mission was sent to Great Britain with John Jay at its head. This mission, which left in April 1794, came back in November with a treaty which was so unfavourable to American interests that the resentment became deeper. It was provided that the United States Government should indemnify the British creditors of American merchants, and that in return for this the British should finally abandon the few unimportant posts in the west which were still occupied by English troops. On the subject of commerce, however, the British Government was firm, and neither the rights of the Americans as neutrals nor their privileges as traders were recognised. The best that both Jay and Washington could say of the treaty was that it was not so bad as war, and a special session of Congress confirmed this view by ratifying it in June 1795.

Throughout the country, however, the feeling was intensely bitter. Copies of the treaty were publicly destroyed; Jay was burnt in effigy; the British flag was dragged through the gutters and burnt before the houses of British agents. The excitement died down gradually; but France, indignant at the ratification of the treaty by Congress, declared her alliance with the United States at an end, in February 1796.

In the midst of the turmoil Washington issued his farewell address to the people of the United States (September 17th, 1796). When Congress came to reply to this address, it was clear that the President was no longer in favour. The passages expressing the thanks of the representatives of the people to the President for his great services to the country were modified; and even Andrew Jackson, afterwards President of the United States, spoke at some length against the distinguished head of the State.

Three years after his retirement Washington died, and with his death began the elimination of English forms and ceremonies in connection with State affairs. The Republicans had for a long time been reproaching the President with endeavouring to establish an American monarchy, and in proof of this assertion they pointed to several little details connected with his household, and especially his manner of dealing with Congress. When Washington came to declare the session open, it was his habit to drive in a State coach with four, and sometimes six, cream or white horses; and—what was even more repugnant to the American mind—with liveried footmen and servants. Further, he invariably opened Congress by addressing the members, which, according to the Republicans, was an imitation of the King of England reading his Speech to Parliament. It was seriously added that when people were introduced to him officially he did not shake hands with them, but simply bowed, and this was held to be a piece of monarchical pedantry. It is charitable to think that none of those Republicans survived to see how modern America is imitating European methods, fashions and eccentricities, and lionising European noblemen.

CHAPTER IV

Washington's retirement—United States and foreign Powers—Missions to America and France—Internal political and social development—The Louisiana purchase.

SOMETHING else disappeared with Washington when he formally retired from political life on March 4th, 1797, and that was a living symbol of the national unity. The title of "Father of his Country" was one which he always tried to deserve, and he never identified himself with any party, though his leanings were towards the Federalists. When the time came to elect a new President, however, there were no men who had not been closely connected either with the Federalists or with the Republicans. Both political parties nominated a statesman for the Presidency, the choice of the Federalists being John Adams and that of the Republicans Thomas Jefferson. Probably the result of the election was fairly representative of the feelings of the nation. Adams received the highest number of votes, and became President. Jefferson received the next highest number, and consequently became Vice-President.

The Jay mission had been the first step towards American participation in foreign politics, and for a few years after Washington's retirement foreign affairs received as much attention as the development of the United States. In an endeavour to come to terms with France in order to protect American shipping, President Adams sent instructions to Charles

Pinckney, the minister at Paris; but the authorities there refused to negotiate with him, and early in 1797 he was ordered to leave French territory. American shipping continued to suffer very severely, and in October 1797 the President sent a special mission to France with instructions to negotiate and make the best terms possible. This mission consisted of Charles Pinckney, John Marshall, who afterwards became Secretary of State and Chief Justice, and Elbridge Gerry. Gerry afterwards became the Governor of Massachusetts; and though his futile attempts at statesmanship have long been forgotten, his name has survived in quite a different connection. As Governor of Massachusetts he allowed his partisanship to overrule him, and in a short time after his appointment he had removed all the holders of civil offices and replaced them by Republicans. He also rearranged the electoral districts of his state in such a way as to benefit the Republican party—an ingenious political feat, to describe which his opponents coined the word “gerrymander.”

This mission was received with insults and derision, and compelled to return to America in 1798, having accomplished nothing. One incident which it reported had an unpleasant effect on the American people. The ministers stated that they could not get an official interview with the authorities at the French capital, but that three persons, whose names were not given, and who were described simply as X, Y, and Z, came to them and made more or less vague suggestions concerning loans and “advances of money.” After many hints had been passed unheeded, Messrs. X, Y, and Z finally asked bluntly for a contribution of £50,000 towards the expense of

the Directory. "Not a sixpence," was the reply; and from that moment the failure of the mission was inevitable. The X Y Z affair, as it was called, provoked a spirited declaration from President Adams—a declaration which even silenced for a time the Republican opposition to him in Congress, and made him, though not for long, popular throughout the country. "I will never send another mission to France," he said, "without assurances that it will be received, respected, and honoured as the representative of a great, free, powerful, and independent nation."

Adams followed this up with the recommendation that the country should be put in a state of defence. This counsel was strongly opposed by the Republican leaders, who accused Adams, as they had previously accused Washington, of aiming at the dissolution of the Union and the establishment of a monarchical régime. For a long time in American politics there were few more effective party cries than this; but with the gradual increase of an underpaid proletariat in the large American cities it is losing its effect. A man who is obliged by a strict system of capitalism to live on the verge of starvation most of his life is not likely to care whether he is doing so under a monarchical or republican régime. Still, this is a fairly recent development in American history, and the men who a century ago had just enough political learning to imagine that the heavy taxes which had led to the revolt against England had been due to the monarchy were impressed by the catchwords of politicians. That the taxes were really due to the annoyance of the English merchant princes at the loss of their profits is now clear enough. But

this old tradition has a certain amount of influence in the United States, even at the present day. Where trade is powerful, neither a monarchy nor a republic can greatly influence the capitalists.

The Federalists carried the day in Congress. A "provisional army" was organised and the efficiency of the navy increased. Orders were issued authorising the seizure of any armed vessels which were found interfering with American shipping; and American merchantmen were recommended to arm and protect themselves on the high seas when necessary. With the object of preventing hostilities as far as possible, all commercial intercourse between the United States and France was prohibited. Without any formal declaration, war followed at once. Trade with France was denounced, and both American national ships and privateers drove almost every French vessel from the Atlantic. There is no doubt that at this time the American sailors had a high and well-justified reputation for courage and ability.

It was thought desirable that some measures should be taken to check the opposition to the President's scheme, especially as his policy had the support of Congress. An inquiry showed that most of the Republicans were fiery aliens of revolutionary tendencies, and the party in the majority, with that disregard of scruples which has always been an American characteristic, passed two Acts to deal with the worst cases. An Alien Act provided that the President might legitimately "banish all aliens suspected of conspiracy against the United States"—it was not even necessary to prove an actual offence. This Act, it may be remarked, was never actually put into operation; its mere existence as a threaten-

ing and precautionary measure was sufficient. The Sedition Act, which was passed at the same time, was, in its way, even more drastic, and was frequently applied. It provided for the imposing of fines and terms of imprisonment on any people who might be concerned in conspiracies and publications, "With intent to excite any unlawful combination for opposing or resisting any law of the United States, or any lawful act of the President." Both Acts were explicitly described as temporary measures. The Alien Act was to remain in force for two years, and the Sedition Act until the end of Adams's Administration, in March 1801.

There was, however, a party in America which opposed the Administration, and not merely the Administration, but the main feature of its policy—viz. the war with France. In an unfortunate moment—for the precedent set was of the worst possible kind, and has since been imitated in America only too frequently—the party in power made use of the Sedition Act to crush its political opponents as well as those who were really "opposing the law" in the spirit of the Act. A few months after the Acts were passed, indeed, the Legislature of Kentucky carried a resolution declaring that these laws were "not law, but altogether void and of no force"—a pretty attempt at applying the spirit of harmony, and as good an example of individualism running mad as we could wish for. The Virginia Legislature profited by this example to intimate that the laws were "palpable and alarming infractions of the Constitution." The first resolution was drafted by Jefferson and the second by James Madison. As this attitude would have led to anarchy if it had

gone much further, it is hardly surprising that the northern and central states were not long in denouncing the action of their fellow-countrymen in the south. Nearly every other state in the Union notified its support of the Central Government, and declared that no state had the right to sit in judgment on the laws passed by the accredited representatives of the country.

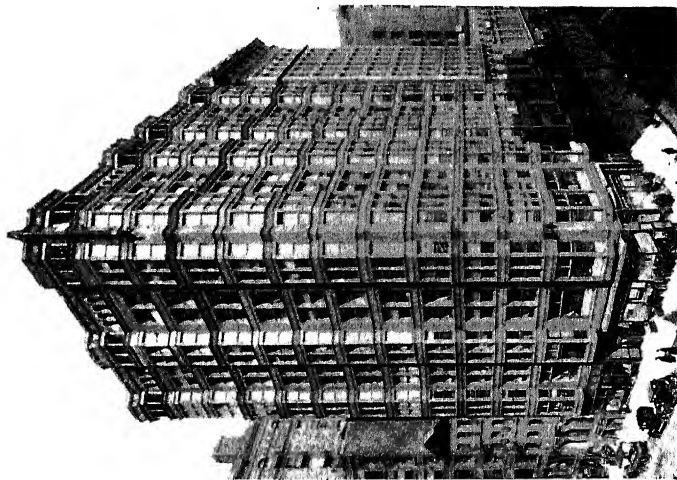
When home politics were in this unsatisfactory condition, President Adams brought down upon himself the anger of a short-sighted populace by behaving once again as a statesman instead of a mere politician. Realising that the war with France was using up national energies which would be better employed in other directions, he appointed a special mission to visit the authorities in Paris and endeavour to come to terms with them. This mission consisted of William Vans Murray, the new minister, Oliver Ellsworth, the Chief Justice, and William R. Davie. Their instructions were to insist upon redress, and not to remain unless they were properly received on their arrival in Paris. The announcement of this mission, coming after the President's strong declaration in the House, caused extreme indignation among the political groups; and even two government ministers heatedly accused their chief of treason. As was said at the time, these people were thinking of treason against the party rather than against the country; for from every sound political point of view the President's action was thoroughly justified. The pro-English faction was becoming strong, and was openly calling for the adoption of more severe measures against France. The arrival of the special mission put an end to hostilities for the time being, and gave the public

an opportunity to cool down. The American delegates reached Paris early in 1800, when Napoleon was First Consul. By October a definite treaty had been concluded; and, although it still left many questions open for future discussion, it accomplished the object of the mission in bringing the war to a close. By the time the delegates returned to the United States, the seat of government had been removed to Washington in the district of Columbia, where it has remained.

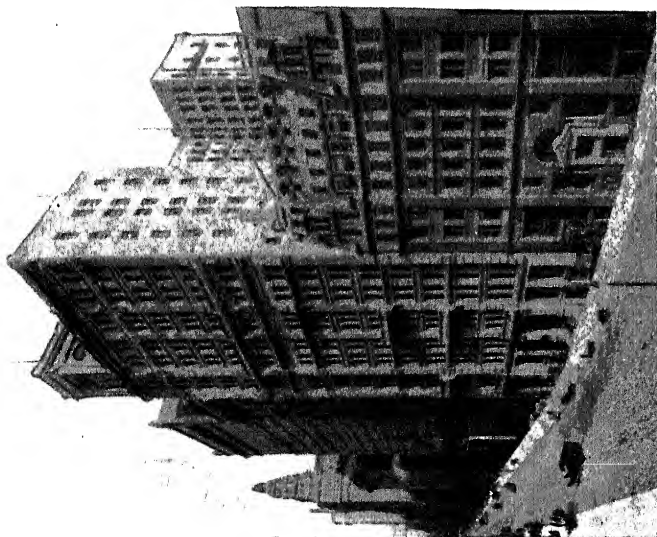
The serious difficulties with France and the internal troubles to which they led obscured some equally important questions that were pending between the United States and Spain. Spain, also a nominal ally of the United States, felt aggrieved for the same reason as France, and took advantage of what was regarded as the relative powerlessness of the Americans to make inroads on the Mississippi Valley, with the ultimate object of capturing the whole of that region. It was characteristic of them, no doubt, that they should offer bribes to the settlers there by way of inducing them to raise no objections to Spanish rule; it was less characteristic of the settlers to accept them.

The Government, as soon as it became aware of the danger, hastened to check the Spanish advance. In 1798 the Mississippi territory was formed as the best means of achieving this end. The district at first included the southern part of what is now Alabama, as well as Mississippi. It is well to call attention to the fact that slavery was authorised in this new territory by the Central Government, only twelve members dissenting. Two years later the north-west territory was formed; it included what

we now know as Indiana, Illinois, and Michigan. This great expansion, this addition of thousands of miles of the already vast under-populated possessions of the United States, was the natural outcome of the progressive Anglo-American nature and the economical conditions of the time. Without diplomatic training, and with only uncouth, rough-and-ready scholarship savouring of pedantry, the American governing classes had yet the sense to realise that the first Power to seize valuable unoccupied land secures thereby a strategic as well as an economic advantage. If Spain had once established herself firmly in the Mississippi Valley, the development of the United States would have been seriously hindered; trading facilities would have passed from Saxon America to Latin America, and the Mexican problem would have arisen more than half a century earlier. We who are accustomed to regard the whole of the Northern American continent as a great English-speaking country must not forget that the position looked very different to the man of a hundred years ago. The Americans saw themselves hemmed in on the north and north-west by people who were more than likely to become their enemies at any time—the English and the French-Canadians—and on the south and south-west by an ally who was beginning to act as an overt enemy. It would have been bad policy—too bad even for a nation whose governments have never shown themselves skilful in dealing with foreign affairs—to allow the almost uninhabited central portion of the United States, the great district corresponding roughly to what is now known as the middle west, to be taken over without a struggle by another Power.



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Having made these arrangements, the Government was once more compelled to deal with a little insurrection in the heart of the country. The French war had given rise to much unrest, not because it was unpopular, but because it involved very high taxation. The cost of living increased in a corresponding proportion, and the so-called Fries Rebellion, in Pennsylvania, which was directly due to the high taxation, had to be put down with much severity. The time came for Adams to go out of office; and he was, as it happened, the last Federalist President. The logical conclusions of the Declaration of Independence and of the Constitution itself had been reached by the nation at large; and the path to political honours was free to any one who was able to take advantage of the new spirit. Nobody had objected to the leadership of Washington, for his gifts were prominent and undeniable; but the theory of "government by leaders" which he had laid down by implication became unpopular when there was no man of equal eminence and ability to take his place. Jefferson, during the Adams Administration, was the first politician to grasp the new spirit of the democracy; and he exerted himself to flatter the people. All political power, he declared in effect, lay with the people as its depositaries; and party leaders were not men who should initiate or make suggestions—their duty was simply to carry out the mandates of the general body of the people.

Theories like these caught the fancy of politicians who cared much more for office than for anything else. The better classes of the nation used all their influence to check what they fully understood to be an unhealthy propaganda. In spite of the demo-

cratic feeling throughout the country, every possible respect was paid in the traditional English manner to the views of the oldest established families and of that section of society that almost corresponded to the English landed gentry. The result of the electoral campaign was that Adams and General Thomas Pinckney, the Federalist candidates for the Presidency and Vice-Presidency respectively, were defeated by only a small majority. The successful Democratic candidates were Thomas Jefferson and Colonel Aaron Burr. The "spoils system" was at once applied; all the Federal officials were forthwith turned out of their posts, which were given to members of the Republican or Democratic-Republican party. The continual change of civil servants with every fresh victory for one side or the other long remained a scandal in American politics, and gave rise in a short time to the worst of administrations which any great country has ever known. Almost every official was dismissed—from the head of a State department down to the very postmen and scavengers. It is only in comparatively recent times that the necessity for continuity in the Civil Service has led to the retention of the minor officials when one political party has gained a victory over the other, and in municipal politics the "spoils system" has never been stamped out.

Many writers have emphasised the evils of this procedure, making special reference to the corruption to which it has led. It has not, I think, been adequately criticised from another point of view—that of efficiency in State or municipal service. The absence of continuity, especially in the national service, has been most severely felt in the domain

of American diplomacy; for, until recently, even diplomatists were recalled and substitutes appointed in exactly the same way as street-sweepers. The result is that the United States has never been able to establish an adequate diplomatic service, as we understand the term in Europe. Among civil officers, as in the army and navy, a long and honourable tradition is a powerful weapon—a powerful support. There has never been any tradition in American political life at all. Political adventurers, the hangers-on of the "bosses," were obsessed with one thought when they took up their posts: they knew they had four years and not more, if the next election went against their party, in which to make themselves wealthy. The type of mind that results from such a habit of thought may be imagined.

That is not the worst failing of the system. The materialistic standards of life which the whole atmosphere of America could hardly help setting up were as apparent in political life as in any other business—for politics in America meant business. The principle, so comparatively common in European countries, that the aristocracy should serve the State and the nation, that power was a privilege to be exercised with rigorous care and self-sacrifice, was something that the Americans could not understand; and they did not wish to understand it. Such a class had existed in America and had been powerful; but the nomination of English governors and other officials in colonial times had not given it much opportunity of showing its devotion. The last great representative of this class died with Washington; and the comparatively few less brilliant descendants of it did not care to go into politics

at all, being repelled by the methods of men like Jefferson, Madison, and Gerry. From the very beginning of America's career as an independent nation, therefore, honesty, self-sacrifice, and high standards of thought were unknown in her political organisation. It is difficult to recall any other country of which the same remark can be made.

To neglect or underrate the influence of tradition in such cases indicates, surely, a certain amount of stupidity. Whatever we may think of the contemporary corruption in European politics at the present day, we must acknowledge that the standards of the Old World are high; and an extraordinary amount of devotion to the public welfare, which seldom comes to the notice of the public at all, is shown by the aristocratic classes throughout Europe, and not least even in a republican country like France.

Shortly after Jefferson assumed office, the disputes with Spain came to a head. Nearly half the exports from America at this time—and the exports had increased from \$19,000,000 to \$94,000,000 in the ten years preceding the Jefferson Administration—had to be made through New Orleans; and the right to deposit merchandise at the port had been granted to the United States by the Spanish Government of Louisiana. In 1801 this right was unexpectedly withdrawn, and the insult to the country, as well as the damage to trade, led to a widespread outcry against the arbitrary action of the Spanish authorities. A proposal was made in Congress that the whole province of Louisiana should be seized and added to the United States, but the Spaniards, seeing the storm they had caused, restored the right they had taken away.

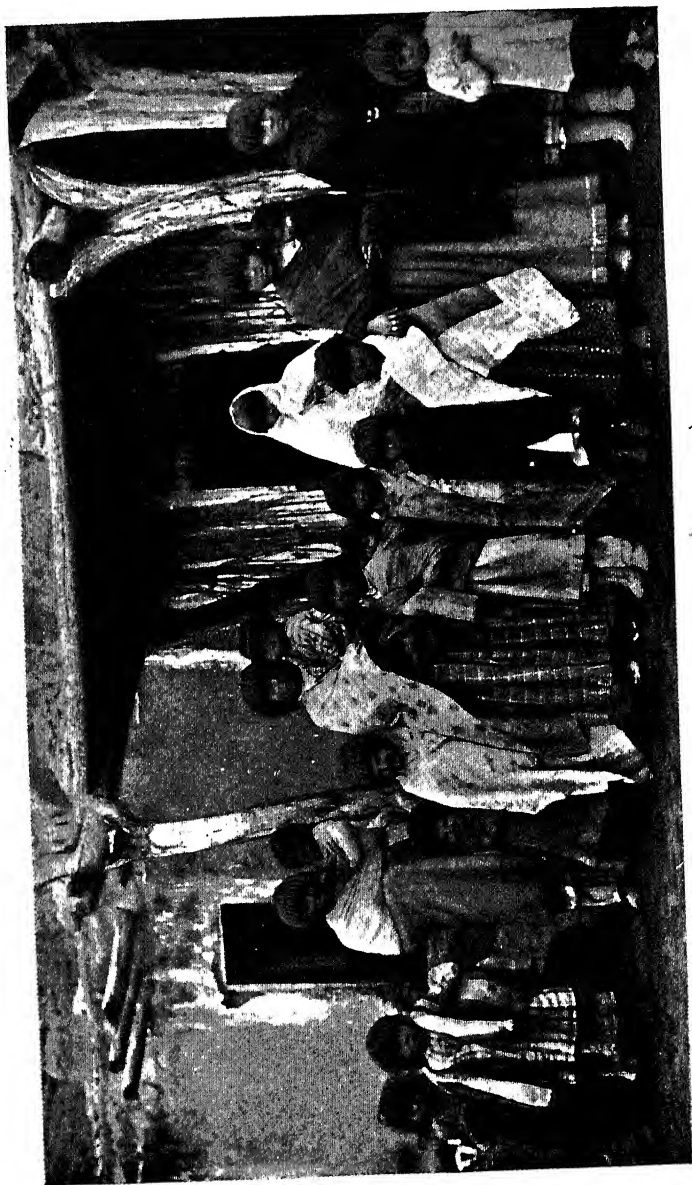
In 1800, as it was afterwards discovered, Spain had secretly ceded Louisiana to France; but, as the change of ownership had been very closely guarded, it was not until 1802 that the news of the cession came to the knowledge of the President. Jefferson at once wrote privately on the subject to Robert R. Livingston, the American representative in Paris, saying that France would have to be considered by the United States as a "natural enemy" if she assumed the ownership of New Orleans. The United States, he pointed out, could easily deal with an inferior Power like Spain; but if France were thinking of penetration, peaceful or otherwise, into the southern territories of the northern continent, an alliance between England and America would become necessary, and would be effected without loss of time. This letter closed with the hint that New Orleans and the Floridas might be ceded, though America would not regard such a cession as an adequate safeguard so long as France occupied Louisiana.

A circumstance of unexpected fortune aided the American designs. The war between France and England, having been suspended for some time, had broken out again; and France feared that the superior naval power of England would end in the capture of her American possessions. James Monroe had come over to aid Livingston in the attempt to purchase the Floridas; but, taking advantage of the helpless situation of France at the time, the negotiators arranged to buy not merely New Orleans and the Floridas, but the entire province of Louisiana—a purchase which practically doubled the area of the United States. The vast province changed owners for the small sum of three million pounds. It was a

trifling amount, but payment was made in cash, and France wanted money. The province extended to the Mexican border and to the Pacific Ocean, though at that time it must be recollected the Mexican border came as far to the north as the Yellowstone River, and as far to the east as the River Arkansas.

This was a case, if ever there was one, in which political expedience and economic considerations triumphed over political theories. Jefferson had always laid emphasis on the necessity for limiting government and limiting territory, and he showed himself especially desirous of applying his principle to foreign and commercial affairs. Yet he had now at a single stroke added a million square miles to the area of his country. Although the province was occupied chiefly by Indians, there were some 40,000 or 50,000 French, Spanish, English, and German inhabitants, and about 40,000 slaves. The whole place was decidedly raw and primitive, and the eastern part of the United States might well look upon the new possession in much the same way as the average Englishman now looks upon the Congo. Let us see, if we can, how far the eastern states were justified in this attitude, for they had some justification for it, undoubtedly.

It was clear that civilisation in Anglo-Saxon America had begun in the New England States and had there continued to develop. The natural conditions chiefly accounted for this. At the beginning of the last century about 95 per cent of the inhabitants of the United States lived either in the villages or in the open country where no villages or hamlets as yet existed. The Atlantic seaboard was a long stretch of farms and forests, but it was only



PUEBLO INDIANS (COLORADO).

on the coast-line that any serious attempt had been made to clear away the woods. The stretches of forest alternated with farms; and in the interior very little land had been cleared for cultivation. Large farmers with plenty of capital located themselves near the rivers towards the south; those with less money chose land near the creeks. The small proprietors had to content themselves with the meadows lying in between. The people of North and South Carolina had not yet begun to grow cotton, and it would not have paid commercially to clear much of the land for cultivation. In these states, therefore, vast pine forests remained as they had been before the early explorers set eyes on them. There were no roads and hardly even tracks through these forests. The farmers could not afford to build them—they were not wanted; and a race of people small in numbers, poor, rough, and uneducated, but proudly and aggressively democratic, grew up in isolation amidst the pines. For such people as these schools and churches were out of the question. Families lived miles apart; a friendly call might not be paid for weeks at a time; a stranger was a complete novelty. Social intercourse, as necessary for the ordinary civilised man as meditation and solitude for the thinker and the prophet, was lacking in these places for many years to come.

The planters in the south were rather more fortunately situated. Many of them had gone into the interior, and the rich lands along the coast were in comparison densely populated. These men were wealthy; they could afford to travel. They had a fair number of educational institutions; they were aristocratic, not to say patriarchal and feudal, in their

social organisation, and they felt themselves to be intellectually united with the French even more than with the Americans in the neighbouring states to the north. In the central states, too, education was well advanced. Generally speaking, the inhabitants of these states were small farmers, and they had made inroads into the forests. There were roads, even if they were often in bad travelling condition; and business concerns frequently took the inhabitants to the coast, which was within easy reach.

Compared with the rest of the country, the New England States were almost modern; and they were certainly far ahead of their neighbours in everything that goes to make up a "progressive" community. It has already been remarked that at an early period in the history of the British Colonies in America ship-building was largely carried on in the New England States; and the demand for planks had led to large stretches of forest being hewn down. There were innumerable little rivers, bays, creeks, and inlets; and farmers had long previously settled round them. There were more people to the acre in this part of the country than anywhere else. The roads, of which there were many, were kept in good condition. Churches, schools, colleges, and various religious and scientific institutions gave a high cultural tone to the community, which has ever since been a distinct feature of the New England States. Fresh ideas found more open minds here than elsewhere; and the small towns which had arisen gave better opportunities for discussion.

Although the extreme northern states were thus showing a remarkable development in such culture

as the time, the place, and the distance from European civilisation permitted, the other states had begun to develop to a greater extent in purely commercial affairs. Richmond, the largest town in Virginia, had a population of 3,700 in 1791, and in all North Carolina there was no town with a population approaching this. In South Carolina, however, Charleston was a great slave centre, and there was also a large export trade from the port. Most of the wealthy eastern planters either lived in Charleston or had residences there; and the prosperous business connection of the town gave it a solid and flourishing appearance. The north was, nevertheless, the centre of industry. The wealthy farmers of Eastern Pennsylvania naturally came to Philadelphia, which in 1790 had a population of 42,000. The importance of the city was increased with the establishment of the United States Bank and the rising demands for grain, and it is not surprising that in 1800 we find the population to be 70,000. New York, with a population of 32,000 in 1790, had increased in ten years to 60,000. This was due to the development of the interior of the state. Large farming and land companies, the embryonic form of the modern trust, had bought out, or had, at any rate, driven out, all the Iroquois, and, as the trade of the state flourished, New York, advantageously situated at the mouth of the Hudson, flourished also.

Boston, on the other hand, although it increased in influence and authority, especially in everything appertaining to education, made less proportional headway in mere numbers of population. Its inhabitants amounted, in 1790, to 18,000, and in 1800 to 25,000. Later on it made greater progress, when

the New England States began to manufacture on a large scale.

Now that the first shock of the revolution was over, the internal problems common to all the states had begun to call for attention. Hamilton's plan of taxation, as the farmers soon discovered, favoured the merchant at their expense. The tariff for revenue and protection increased the cost of living to the agricultural classes, who had, in addition, to pay what seemed to them, all things considered, a rather high proportion of the taxes resulting from the wars with England and France. Virginia, the largest state in the Union and the chief sufferer from the oppressive imposts, managed to place herself at the head of a powerful combination of agricultural states, though it must be confessed that the local legislators in these states administered their districts with very little regard for the development of commerce. It is significant that in America, as in England, the traders should have sought to secure a monopoly of the economic and political power of the country, and that once they had obtained it they endeavoured to shift the burden of taxation from their own shoulders to those of the agriculturists. That the landlords generally, and particularly that the landlords of the southern states, were taking care of their servants and labourers in times of depression as well as in times of plenty, while commerce merely looked after its profits, did not matter to the American financiers of a century ago any more than it matters to the American and English financiers to-day. To the agricultural employer, wealth and power meant the faithful carrying out of duties as well as the enjoyment of rights; to

the merchant in the city, profits meant simply the opportunity for making more profits. Most of us know that these characteristics distinguish America and England to-day; but they were equally prominent over a century ago.

These, indeed, are not the only resemblances we can trace between the development of American and of English life in the last hundred years. In the north, among the merchant and small farming classes, Puritan manners and morals were supreme. Amusements were few and simple; and authorisation to build a theatre in Boston could not be obtained until 1793. Among the large landowners in the south a much freer atmosphere prevailed. The narrower aspects of religion were not insisted upon. The tendency to accept the ideas of the French sceptics was not followed by social ostracism, and there was more latitude in the matter of amusements. In the north such innocent pastimes as riding and skating were allowed; but in the south cock-fighting was common and horse-racing had long been a favourite sport. The Charleston Jockey Club was a famous social centre; and travellers of the time have noted that the manners of the people were much more refined in the south than in the north. In the New England States, it is interesting to learn, the Nonconformist minister was an important social and political factor—as Thomas Jefferson, who was generally thought to be a sceptic, more than once realised—but he was not encouraged in the south, and the wealthy classes generally gave their support to the Church of England.

CHAPTER V

America and Europe—Burr's conspiracy—Disputes with Great Britain
—The second American war—Internal development.

IN 1801 the Americans had to send their navy to European waters, and a fleet from an independent nation across the Atlantic was seen in the Mediterranean for the first time. Such government as might be said to exist in Tripoli had demanded an increase in the sum which the United States paid annually for "immunity" from the Tripolitan pirates; and the increase asked for having been refused, American vessels began to suffer. A peace favourable to the Americans was not concluded until 1804, in which year President Jefferson was re-elected for a second term of office. His own abilities, combined with a number of fortunate circumstances, had made him popular throughout the country. It had been found possible, thanks largely to the tariff, to lower taxation considerably; the National Debt was reduced by \$12,000,000; the area of the country had been doubled by the acquisition of Louisiana; and large tracts of land had been taken over which had formerly belonged to the Indians. The state of Ohio had been admitted to the Union in 1802, and the territories of Michigan and Illinois had been formed out of Indiana. All the adventurous spirits of the time looked towards the west for colossal possibilities of fortune.

This great expansive movement led to another insurrection, one of the many with which the American Government had to deal from time to time in the early part of the country's independent history. Aaron Burr, the Vice-President of the United States during Jefferson's first term of office, had fought a duel with Alexander Hamilton in 1804. Hamilton fired into the air, but Burr, either deliberately or accidentally, killed his opponent. George Clifton, Governor of the State of New York, subsequently became Vice-President and Burr retired from the public view. His old friends avoided him, and he conceived a marvellous scheme of founding a new empire in the west. The project is not without its interest, for it was very nearly feasible, and if Burr had had the support of such Englishmen as those who followed Clive and Hastings the story of the Aaron Burr conspiracy might well have had a different ending.

In 1806 we find Burr in what was then the Far West—that is to say, the eastern side of the Mississippi Valley. He collected round him a numerous body of supporters; but, although a few of them were men of fairly good position and character, most of them seem to have been of little account morally or intellectually. It was Burr's design to take possession of Mexico or of the Mississippi Valley, or of both. The difference between the early settlers and the new adventurers was soon clear. Burr's friends acted like mere bandits or desperadoes; they were actuated neither by faith nor by principle. Every man sought what he could get for himself; and if a few hundred did stand by Burr they did so, it seems clear, chiefly for the purpose of throwing

the blame on him if they were caught. When the plans of the scheme became known, the United States authorities in the territory of Mississippi mobilised all their available forces, and in January 1807 Burr and his companions were taken prisoners.

The corruption of American politics was again shown. Burr, having organised this expedition within the limits of Virginia, was tried in the Virginia Courts for treason against the United States Government. The trial, however, was made a purely party question, as such trials in America have always been. The Administration tried to do Burr as much harm as possible; but the opponents of the Administration, entirely neglecting the merits of the case, took his part, and he was acquitted. Later on he was indicted for invading the Spanish territories, and again acquitted, because, as his ingenious defenders successfully pleaded, there was no proof that he intended to annex them.

The Burr and the Tripoli incidents were annoying while they lasted; but they were trifling as compared with the causes of the second war with England. The Napoleonic campaigns were still going on, and Great Britain was taking the chief part in them. A government which was fighting Napoleon on land and sea could not afford to be particularly scrupulous; but there is no doubt that in their dealings with the Americans the English were seldom tactful. The English Government had never entirely renounced the right to search; and, in spite of protests from Washington, the right was even extended so as to include American ships of war. In addition to this, the American neutral trade was treated almost as if it were contraband. Merchant vessels would be

stopped and searched, and, in some instances, ordered to sail to a different port from that to which they were bound, while in other cases American ships would not be allowed to leave English ports after having taken on a fresh cargo. The result was that thousands of pounds' worth of valuable merchandise deteriorated or became quite useless. On the other hand, there was equally little doubt that American shippers often played a double game by importing goods coming from one of the combatants and then re-exporting them as "neutral" merchandise. The American Government could do little directly to relieve the hardships of those Americans who were really suffering, and complaints to London were ineffective.

The principle on which Great Britain acted at this time was, "once a British subject, always a British subject." The American contention was that any foreigner who had gone through the prescribed forms of naturalisation, and had resided for five years in United States territory, could claim all the privileges of an American citizen. The Americans also rejected Great Britain's demand for the right of search; "free bottoms make free goods" was their argument. There were naturally divergent views on this question on both sides; but every American objected to the British system of impressment. English sailors who had no desire for glory joined American crews and passed themselves off as American subjects. In the case of a search, their companions were not slow in supporting them. It was not long before the British authorities became aware of this practice; and when they did so they showed less indulgence than ever to the American crews.

In the spring of 1806 James Monroe and William Pinckney were sent to London as a special mission with instructions to endeavour to negotiate a new treaty respecting the right of search and the other points in dispute. This mission was not even partially successful; it was a complete failure. The British Government absolutely refused to give way on the question of the right of search; and even when the American delegates expressed a wish to discuss the neutrality of their trade they received no satisfaction. After much discussion some sort of compromise was reached and a new treaty signed. Monroe and Pinckney returned to Washington in March 1807, and placed the result of their labours before President Jefferson, who, on reading the treaty, at once decided to reject it without even taking the trouble of referring the matter to the Senate.

This action provoked an outcry from both the political parties. Amidst the babel of abuse it is difficult to discover a moderate attack; but the constitutional issue is clearly established. The President had no right to make treaties or to reject them; and Jefferson was further reproached with his former speeches and writings about restraining the power of the executive. The President's friends pointed out that the envoys had not brought back a new treaty at all; they had only remodelled an old treaty, though they had to admit that in its new form the document made no provision for the rights of the American people. A few months later, on July 22nd, an incident occurred which silenced the opposition to the Government for the time, and helped to strengthen the hands of the President.

The United States frigate *Chesapeake* was stopped off Chesapeake Bay by the British frigate *Leopard*. The captain of the *Leopard* demanded permission to search the *Chesapeake* for deserters from the service of Great Britain, and Captain Barron, of the *Chesapeake*; refusing, the *Leopard* opened fire. The American vessel fired a single gun in reply—she was unable to fire more, being quite unprepared for action—and then struck her colours. The British commander took four sailors from the American warship; one of them was English, and the remaining three were Americans of English descent who had escaped after having been impressed previously.

This encounter startled the nation, but produced no such effect as would have been the case some years before. To begin with, the commercial and wealthy classes throughout the country were inclined to favour Great Britain, which they looked upon as a country that was destined to liberate the world from the yoke of the French Emperor, for the Napoleon whom Livingston had to consult about the purchase of Louisiana was a much less powerful person than the Napoleon of 1807. The United States, beyond a doubt, had been grossly insulted by the action of the captain of the *Leopard*, but the higher classes in America were inclined to resent President Jefferson's retaliatory measures as being excessive. He issued a proclamation ordering all British warships to leave American waters, and instructions were sent to the American Chargé d'Affaires in London that he was to demand suitable compensation, and to obtain from the British Government a complete renunciation of the right of search and impressment. England recognised the seriousness

and the new Administration endeavoured, without much success, to induce Great Britain and France to suspend the restrictions they had put on American vessels in answer to the embargo. The plans of Jefferson and Madison, in addition to the trouble they caused to foreign countries, led to much discontent in America. They were violently opposed by the Federalists; and several legislatures and even many of the courts pronounced them to be unconstitutional and invalid. An indirect effect of the ill-feeling between the United States and the two great European countries was felt by the Indians on the north-west frontier. Since they had begun to follow the example of the white man they had abandoned many of their old predatory habits and lived largely by the sale of their furs. Napoleon's decrees prevented the export of their staple commodity for the time being, and from their consequent poverty ill-feeling naturally arose. In the spring of 1811 a Shawnee chief named Tecumseh assumed the leadership of the more important tribes, and endeavoured to incite all the Indians on the north-west frontier to support him in waging war against the United States. The result was a series of Indian raids on isolated settlements, which became so frequent that General Harrison, Governor of Indiana territory, organised a large body of troops and marched against the main army of the Indians, under the command of Tecumseh's brother, "the Prophet." The two armies met at Tippecanoe, Indiana, on November 7th, 1811, and the battle of that day was one of the most desperate ever fought between Indians and whites. The losses on both sides were very heavy.

The rising of the Indian tribes allowed all the Americans, moderates as well as extremists, to give free rein to their hatred of Great Britain. Reports were sedulously spread that the English Government was at the back of the little rebellion, and that without British assistance the Indians could not have made such progress as they had made. All the Americans who had consistently taken the part of Napoleon against England made renewed efforts to discredit the British Government in the eyes of their fellow-countrymen, and in this they were encouraged by the President himself; for Madison showed an extraordinary dislike for England. Despite the fact that the French Government continued to seize American vessels, no complaints were made against it, all attention being concentrated on Great Britain. No attempt by Great Britain to conciliate the American people appeared to have any effect; and the Washington authorities, instead of maintaining an impartial attitude, definitely ranged themselves with the anti-English elements in the Union.

On April 28th, 1812, it was announced that France had abrogated her Berlin and Milan Decrees in so far as they related to American vessels, and on May 20th the American Chargé d'Affaires showed Lord Castlereagh a copy of the official notification that this had been done. Castlereagh at once offered to revoke the English orders in council in so far as American ships were affected by them, on condition that the United States also made one or two small concessions. This offer was refused; the Americans concluded a secret treaty with France, and preparations were made for an invasion of Canada. The aim of President Madison's advisers was quite clear.

Napoleon was preparing an expedition to Russia, which, in their opinion, would make France mistress of Europe and drive England into bankruptcy and ruin. Arrangements were made for stopping and capturing British trading vessels in American waters ; and on June 18th the President announced to Congress, in a speech which appeared to be deliberately ambiguous, that the two nations were in a state of war. It was not said that any formal declaration had been made, or which nation had taken the initiative.

There was a violent debate after this. The northern and eastern states demanded separation from the Union, and their representatives in Congress were eager to make known the wishes of their electors. It was openly asserted in Congress that there had been undue delay in bringing to the attention of the British Government the fact that France had annulled her Berlin and Milan Decrees, which, as it had since become known, she had done so far back as March 1811 ; and there were further complaints that the Americans were suffering more from French attacks on their shipping than from the British attacks.

War had been determined on, but for reasons very different from those set out in the Bill formally declaring it. Briefly, six main causes were assigned for hostilities. It was alleged that the British had :

(1) Impressed American citizens while sailing on the high seas, dragging them on board their ships of war, and forced them to serve against nations which were at peace with the United States, and to participate in aggressions on the rights of their fellow-citizens when met on the high seas.

(2) Violated the rights and peace of the American coasts and harbours, harassed American commerce, and wantonly spilt American blood within the territorial jurisdiction of the United States.

(3) Plundered American commerce on every sea under the pretended blockades, not of harbours or ports, but of extended coasts.

(4) Committed innumerable spoliations on American ships and commerce under the authority of various orders in council.

(5) Employed secret agents within the United States with a view to subverting the Government.

(6) Encouraged Indian tribes to make war on the people of the United States.

If a government wishes to make war, reasons which are technically adequate can always be given. So far as these half-dozen justifications are concerned, it may be said that no proof of the last two was ever brought forward; and the first four complaints refer to incidents which could not be avoided in any struggle such as that which Great Britain was carrying on at the time. If we wish to ascertain the real causes of the war of 1812, we shall find them in the ambitions of rising political leaders like Henry Clay, who is known to posterity chiefly by the inexpensive cigar named after him, and John C. Calhoun. These two men, and a few others of not quite so much political importance, exercised considerable influence on the President, on James Monroe, the Secretary of State, on Albert Gallatin, the Secretary of the Treasury, and many other important officials.

It was clear to all these men that Canada was in a practically defenceless condition. There were very few British troops across the border; there was too

much work for them to do elsewhere. It seemed an opportune moment for invasion and for adding a vast and rich province to the American possessions. This point of view was carefully explained; and the indignities visited on American seamen were used to excite the resentment of the people and to provide a good excuse for a campaign against Great Britain. The Federalist members of Congress, who had at last realised what the scheme was, protested vigorously, and the Bill declaring war was passed by small majorities. In the House of Representatives it had a majority of 30 out of 128 votes, and in the Senate it was passed by a majority of 6.

The protests raised in Congress were echoed in the country; and riots took place at Boston, Baltimore, and other large places. The lower classes, always easily aroused and always "patriotic," wrecked newspapers and the houses of families which were thought to be supporting the opposition to the war. In addition to the antagonism of the New Englanders, who disliked the war on ethical grounds, the Government had to reckon with the merchants affected by it. It was a struggle at first between the immediate commercial interests of some and the far-sighted cupidity of others. Madison, to do him justice, acted very skilfully when he had considered what was taking place in Europe, and what would have to be done against the British in Canada. So early as the spring of 1811, nearly a year before the declaration of war, he had assembled 10,000 men at Boston in readiness for the expedition; and several months before his statement in Congress 50,000 volunteers had been summoned to the colours. In reply to the protests of the British envoy, the Presi-

dent gave every assurance that nothing was dearer to his heart than a long continuance of the amicable relations then prevailing between the two countries. Bismarck's capacity for judicious deceit, however, is not always accompanied with a similar capacity for foretelling events.

When war was announced (June 19th, 1812), the American force, under General Hull, hurried over the Canadian border without giving the British time to prepare for them; but a vigorous counter-attack by General Brock led to the fall of the American port of Michilimachimac on July 17th. The Indians in the district, who disliked the Americans intensely, immediately rose in revolt, and the Americans suffered several minor defeats before they were completely routed at Queenstown on October 18th. At sea they were more fortunate; and the accounts of the capture of small British vessels by large American warships, with details omitted, read almost like the description of a miracle, even to the sceptical planters of the south. In spite of many defects, the British blockading squadrons managed to obstruct American commerce so completely that the merchants soon began to complain strongly to President Madison.

The Government was not in an altogether safe position. Most of the regular soldiers had been concentrated on the Canadian border, and there was a considerable difference of opinion over the calling out of the militia. Armies on a large scale were not liked in the United States a century ago any more than they are to-day; and many of the state legislatures, taking their stand on a clause in the Constitution, refused to enroll the militiamen under their charge. The Constitution authorised Congress "to

provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions." It was questioned whether the formal declaration of war could be called a "law" of the Union; and the attack on Canada was clearly neither an insurrection nor an invasion. It would have gone hard with the United States if England's attention had not been fixed on the campaign with Napoleon: had there been time to spare for minor matters, advantage would undoubtedly have been taken of the arrogant weakness of the United States.

The Americans were able to take the offensive in the autumn of 1813; and in an action on the banks of the Thames, not far from Detroit, the British, under General Proctor, were defeated by the Americans under General Harrison. The Indian chief, Tecumseh, was among the killed. His skin was cut up by the infuriated American soldiers into razor strops, which were presented to the more important members of Congress, including Henry Clay. After this the campaign took an unfavourable turn for the Americans. Parties of British troops, greatly inferior in numbers as a rule to their opponents, crossed the frontier at different places, and by the end of the year the New England armies had been hurled back as far as Buffalo.

In 1814 the British won a series of important victories; but chiefly owing to the stupidity of General Sir George Prevost the advantages they had gained were lost in the naval and land action of Lake Champlain, on September 11th. In this battle the British fleet was defeated by a smaller number of American ships under the command of one of the most skilful seamen of the time, Captain McDonough.

This was one of many striking victories made by the American ships ; but with the French vanquished in Europe, and Napoleon out of the way at Elba, a few squadrons of British warships were able to make for American waters. By the autumn of 1814 not a single American warship was to be found on the high seas. Those which had not been wrecked, or sunk, were blockaded in port by the British fleet. Advantage was taken of the blockades to land troops and ravage the country, and, in August, a strong British force marched to Washington, sacked the town, and set the buildings on fire.

The American Government was at this time in its usual hopeless plight—it is a remarkable fact that during the revolution, as well as during the war of 1812–14, the Government was so weakened by dissensions among its members that it could give no adequate lead to the country. There were innumerable generals and minor officials ; but it was very nearly impossible to obtain men ; and, even when the war was well advanced, wrangles over the calling up of the militia were still proceeding in the various states.

In the state elections of 1812–13, the Federalists secured control of the Government of Massachusetts, and a series of violent speeches in the Legislature testified to the extraordinary bitterness with which the war was regarded in the New England States. When a congratulatory address, on the occasion of an American victory, was proposed, Josiah Quincy moved that, “In a war like the present, waged without justifiable cause, and prosecuted in a manner which indicates that conquest and ambition are its real motives, it is not becoming to a moral

and religious people to express any approbation of military or naval exploits which are not immediately connected with the defence of our sea-coast and soil." This was passed; a demand for separation arose; and with the English victories of 1814 the secession movement in the New England States became very strong. On October 16th Massachusetts voted a million dollars for the establishment of a state army of 10,000 men, and followed this up by asking the other New England States to assemble in convention at Hartford with the object of discussing the advisability of secession.

The financial question was again a serious one, and the Government resorted to the most desperate expedients for raising money. To meet the interest on the loans which had been contracted, taxes were imposed upon paper, furniture, carriages, and even watches. The charter of the first national bank having expired, the bank automatically closed its doors, and the Government had not money enough to establish another. It was calculated that the expenditure for 1815 would amount to £10,000,000, and that the national income for the same financial year would not amount to more than £2,200,000. Many of the banks suspended payment, and the opposition to the Government's policy gathered strength. In order that Great Britain might be cut off from the advantages of commerce with the United States, a new embargo had been laid on trade, to take effect from the beginning of 1814; but this bore so hardly on the Massachusetts fisheries that the state Legislature dubbed it "another Boston Port Bill," and declared it to be unconstitutional. The Act authorising the embargo was shortly after-

wards repealed by the Government—another instance of the part dominating the whole and of the state proving to be more powerful than the central authority.

Dismayed at the developments of the last few months, and realising at last that all hopes of the United States absorbing Canada were vain, Madison approached the Emperor Alexander of Russia and besought him to intercede with England. The request was granted ; but Great Britain, while expressing willingness to discuss peace with the American envoys, declined to consider the Russian intervention. Envoys were accordingly despatched, and a very indefinite treaty, though still a treaty of peace, was signed at Ghent on December 24th, 1814. Very few of the most important questions in dispute were settled in it ; for Great Britain insisted on retaining some of the captured territory in the north. These matters were left for the further consideration of commissioners. The United States, however, had her way in one important matter. Certain Irishmen, captured on American warships by the British, were ordered to be tried for treason, and were not in consequence treated as ordinary prisoners of war. The United States, holding that it was her duty to protect all foreigners from the English, insisted that the captured Irish prisoners were simply foreigners who had become American citizens, and after much argument this principle was at last admitted by the British Government.

The Hartford Convention met late in December, and after a session of three weeks adjourned on January 14th, 1815. The report published by the delegates recommended that states " which had no

common umpire" should "be their own judges and execute their own decisions"—an unkind way of referring to the weakness of the Washington Government. Their most important work, perhaps, was the list of amendments to the Constitution which they drew up, providing for the protection of the weaker states against the stronger; and for the protection likewise of a minority of states against any aggressions attempted by the majority. Although no open threat was made, it was clear from the wording of the document that a refusal of the demands contained in it meant secession; for if, as was proposed, each state should be allowed to retain and administer the customs dues collected within its jurisdiction, the financial power of the central authority would be no more. When the delegates presented these demands to Congress, however, they were informed that it was no longer necessary to make them, as peace had been declared. A period of peace seemed to be arriving, for the settlement of Ghent had been followed by an amicable arrangement with the Indian tribes on the north-west frontier, and with a foe who was more inconvenient than dangerous—the Dey of Algiers.

It may seem contradictory to say, in the face of threats of secession, that the revolution and the war of 1813-14 made the Americans a united nation. This is true, nevertheless, so far as foreign affairs are concerned, in spite of internal disputes and other indications to the contrary. The Federalists, for example, who had opposed the war from the beginning, steadily lost popularity once the campaign was at an end; and it was recognised by all parties that the individual states, whether for good or evil, must

act together in foreign affairs however much they might differ over disputes at home. This became known gradually, as the political acumen of the people developed ; a more immediate cause for concern was the financial condition of the country. There were, as usual, numerous speculators, as there had been at the time of the revolution, who took full advantage of their country's difficulties to make fortunes for themselves ; but there were very many cases of ruined finances and loss of property, and the national exchequer was exhausted. The public debt had increased by £24,000,000, and Madison, who had been re-elected President in the course of the first year of the war, with Elbridge Gerry as Vice-President, almost broke down under his responsibilities. Instead of the United States having conquered Canada, Canada had very nearly conquered the United States—no small blow to such national pride as existed south of the Great Lakes—and trade suffered terribly.

Expressed in other words, the results of the war were entirely ineffective. After more than two years of hard fighting, American commerce was reduced to very trifling dimensions ; credit there was none ; and not a square mile of territory had been added to the possessions of the United States. The material losses, even if they were forgotten in the course of a few years, were positive, though it should be added that, in proportion to the population and the wealth of the country, neither the losses in men nor the losses in money could be considered as particularly high. The national debt was not large, but the burdens of taxation were not equally divided. The cost of living was high, naturally : groceries and all kinds of pig-iron were particularly dear. On the

other hand, only extremely low prices could be obtained for staple commodities such as tobacco, wheat, and cotton. *Lines' Register* (Vol. V.) gives a valuable table showing the prices current in the large cities at this period. Land transport was almost impossible—so poor was it, indeed, that a barrel of flour which was worth 18s. in Richmond, Virginia, cost 47s. by the time it reached Boston. The coasting trade was suspended; and the export trade, of course, fell to minute proportions. In 1811, for instance, the value of the goods exported amounted to £9,000,000. In 1813 this figure had dropped to £5,000,000, and in 1814 to a little over £1,000,000. When the war ended, there was a great change; and if the export trade did not improve for a year or two, the country itself felt the difference almost at once.

James Monroe, whose opinions had become more moderate as he grew older, was elected President in 1817, with Daniel D. Tompkins as Vice-President; and he held office until 1825. At the beginning of his Administration armed intervention was necessary in Georgia and Florida, chiefly on account of raids and massacres by the Creek Indians. The Seminole war or the Florida war, as it was variously called, was conducted on the American side by General Andrew Jackson, who had become famous not long before for his gallant defence of New Orleans against the British. The Government, in November 1817, determined to clear the country of the hostile tribes, and the little campaign ended in the following March. While the operations were being carried on, Jackson entered Florida, which had for a long time been used as a shelter by fugitive slaves, criminals,

smugglers, pirates, and bad characters of all descriptions. St. Mark's and Pensacola were captured by the American troops, and two British subjects, accused of inciting the Indians to rebel, were put to death. All this brought a strong protest from the Spanish Government, and an earlier offer to buy Florida was renewed by Washington in 1818, by which year the finances of the United States had begun to improve. The purchase price of £1,000,000 was soon agreed upon, and a formal treaty was signed on February 22nd, 1819, by which Spain agreed to hand over the state of West Florida to the United States. Florida was officially recognised as United States territory in 1821.

Indiana was admitted as a state on December 11th, 1816, Mississippi on December 10th, 1817, Illinois on December 3rd, 1818, and Alabama on December 4th, 1819. Before the admission of Alabama it was proposed that Missouri should also join the Union; but Missouri was a slave-holding territory, and this fact was referred to in Congress when the motion was brought forward. One of the representatives for New York, James Tallmadge, moved that no more slaves should be brought into the Union, and that the children of those slaves already forming part of the population should be liberated at the age of twenty-five. This resolution was rejected, whereupon another New York representative, John W. Taylor, moved that slavery should be entirely prohibited north of latitude $36^{\circ} 30'$. This motion was also lost; but in view of the evident unwillingness of the House of Representatives to admit slaves, the original proposal for the admission of Missouri was not pressed. A portion of this

territory, however, just to the south of the latitude recommended, was set aside and called Arkansas. The latitude in question would have left practically all North Carolina, Tennessee, and the Indian territory within the slave-holding area.

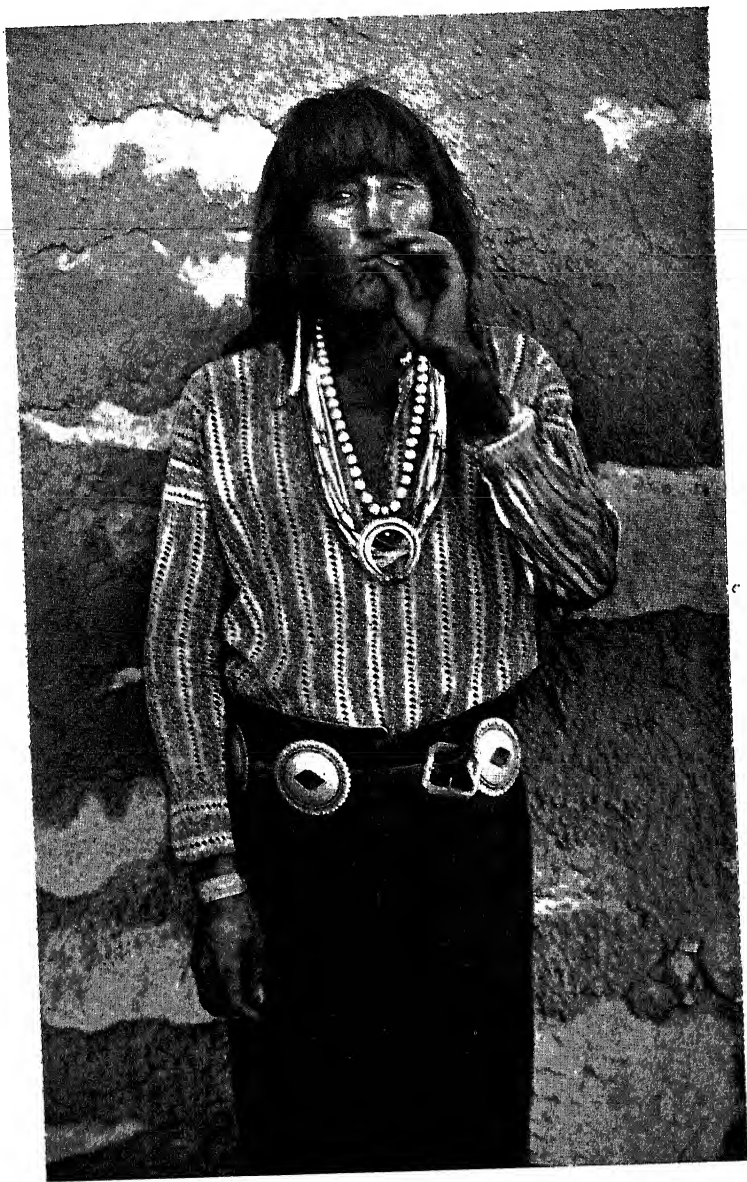
The distinction between north and south became clearer during these debates. The north held that too much indulgence had been shown to the slave owners. The organisation of the territory to the south of Ohio, the organisation of the Mississippi territory, and the purchase of Louisiana were all national events, said the representatives of the north, which extended or at least acknowledged the area of slavery. Of the eight states admitted since the drawing up of the Constitution, on the other hand, four had been free states and four slave states. It was now, therefore, the turn of a free state to be admitted, Alabama, the last, having been a slave state. The southern representatives held that it was against the letter and spirit of the Constitution for any compulsion to be laid on a state as to whether it should continue to approve of slavery or not; for this was a matter in which the supreme authority was left to the states themselves. The constitutional answer to this argument was that Missouri was not as yet a state at all, but a territory, and in consequence subject to the control of Congress; and that even if it had been a state it would not have been one of the original thirteen, to which alone belonged the powers reserved to them by the Constitution. It was further argued that slavery was against the interests of the nation, and that, such being the case, Congress was justified in trying to put a stop to it.

The quarrel over the Missouri slaves spread from Congress to the state legislatures, and from one political faction to another; but when both sides had considered and realised their position, the United States was definitely divided into two portions. In the north the people almost unanimously followed the lead of the men who had spoken in Congress in behalf of New York, demanding the restriction of slavery in those states where it was already permitted, as well as calling upon Washington to refuse to admit Missouri until slavery had been abolished. The south maintained that the north was interfering unjustly; and the legal arguments of both sides were soon heard no longer amid the din of controversy and abuse.

The year 1819 was coming to an end when Congress reassembled. One of its first acts was to discuss a proposal for admitting Maine to the Union, Massachusetts having consented to the division owing to the difficulty of properly administering such a large tract of territory. Maine being a "free" state, the advocates of slavery held that Missouri, a slave state, should be received at the same time. The northerners would not yield. "Not on numbers but on principles," they said, "have we taken our stand." The warmth of feeling increased, and at length the famous Missouri compromise was proposed by Senator J. B. Thomas, of Illinois. A Bill was passed in the Senate admitting Missouri and Maine to the Union without any restriction upon slavery; but a clause introduced by Senator Thomas prohibited the introduction of slavery "into any part of Louisiana territory as yet unorganised." This left Louisiana, Arkansas, and Missouri with per-

mission to continue their slave-holding if they desired, but it prevented the extension of the principle. The House of Representatives objected to this compromise, and after both Houses had met in committee, it was decided that Missouri should be received free of restrictions, but that slavery should be prohibited north of latitude $36^{\circ} 30'$. Maine and Missouri thus joined the Union at the same time (March 3rd, 1820).

A difference of opinion at once arose as to the meaning of the compromise. Strictly speaking, slavery in the region marked off was prohibited for ever. At a meeting of the Cabinet, however, John Quincy Adams suggested to President Monroe that the spirit of the compromise meant that slavery was prohibited only in the territories and not in any states that might be admitted from within the prescribed boundaries. Forty years later more was to be heard of this difference of opinion, which characterised the compromise from the very beginning. There were further difficulties. Missouri adopted a constitution denying even the free negroes the rights of citizens. This fact was brought to the notice of Congress in the autumn of 1820, when the time came for the Constitution of Missouri to be formally approved. The southern party urged that the formality should be completed at once and the state admitted; the northern party thought that the whole transaction should be repudiated. Henry Clay, who was found on this occasion among the moderates, succeeded in inducing the southerners to support a resolution providing for the formal admission of Missouri as soon as she should "covenant the rights of citizenship to the citizens of either of the states." Missouri agreed to this; and after so many



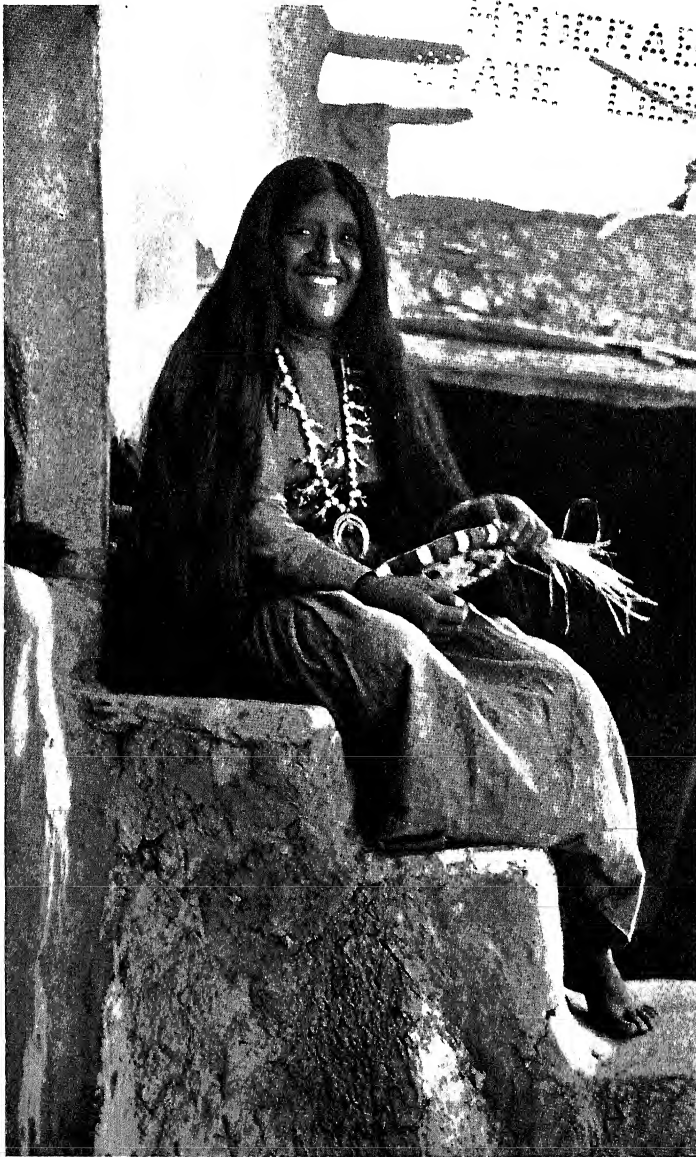
TYPE OF MOQUI (PRON. MOKE') INDIAN (N. E. ARIZONA).

delays, objections, arguments, and counter-arguments, the Constitution was formally approved in August. This was the first really important slavery debate in the United States, and it stands out among the events of the earlier part of the nineteenth century as the essential preliminary to the bitter struggle of the sixties.

After all this excitement the story of the next few years is humdrum but for one very important Presidential announcement—the announcement of the Monroe Doctrine. This is a principle of American politics which is dealt with later in this volume; in the meantime it is sufficient to note that it was promulgated on December 22nd, 1823.

John Quincy Adams, the son of the second President, was elected to succeed Monroe in 1825; and once again the old quarrel of the relationship between the National Government and the State Government had to be fought out. Several years previously, Georgia had ceded the western portion of the state, including Alabama and Mississippi, in return for a promise that the Washington Government would deal with the claims of the Indians to the territory of Georgia itself. The Creeks at this time held 25,000,000 acres, 15,000,000 acres of which were bought by the United States Government and transferred to Georgia. Of the remaining 10,000,000 acres, half was allocated to the Creeks and half to the Cherokees; and in 1825 a treaty was entered into with the Creeks by which the United States was declared to be the owner of all the Creek territory within the limits of Georgia and Alabama. This treaty, which was disliked by many of the important chiefs, led to an Indian rising, and in

April 1826 the Government arranged a compromise which satisfied neither the state of Georgia nor the Indians. Governor Troup, of Georgia, accused the Administration of acting unconstitutionally, ascribing the Government's action to "anti-slavery" motives and calling upon the neighbouring states to "stand by their arms" if they wanted to preserve their rights. After this he sent a party of surveyors into Indian territory—an action which angered both Congress and President.



TYPE OF MOQUI (PRON. MOKÉ) INDIANS (N. E. ARIZONA).

CHAPTER VI

North against south—The tariff—Canal construction—Anti-slavery agitation—New political parties—War with Mexico.

PRESIDENT Adams naturally took the part of the National Government and signified his intention "to enforce the laws and fulfil my duties to the nation by all the force committed for that purpose to my charge." When this statement was read in Georgia, the irascible Governor notified the Secretary for War that "from the first decisive act of hostility you will be considered and treated as a public enemy." At this point the state Legislature thought over its position, and decided to make its peace with the Washington Administration.

There was another violent outbreak a year or two later, though this time it was not so much a case of state government against federal government as of south against north. The United States was developing rapidly, and the financial system of the nation had hardly kept pace with the demands made upon it. To counteract the influences of occasional trade depressions and fluctuations, repeated changes were made in the tariffs with the object of affording ample protection to American industries. A duty had been imposed on imported cotton in 1816, and this was extended to include woollen goods in 1824. An agitation was soon proceeding for an increase in the duty, and it was a matter upon which the nation was not all of one mind. The manufacturing classes

favoured an increase in the tariff, and the agricultural interests opposed it. On the one side we find the manufacturers of cotton and woollen goods, iron, hemp, and so on; and opposed to them are all the farming classes and the merchants.

The great manufacturing interests assembled in convention at Harrisburg, Pennsylvania. They called for a heavy protective tariff, which became known as the "American system," and their demands were pressed on the Government in July and August 1827. After powerful influences had been brought to bear, Congress reported favourably on the demands put forward, and, in May 1828, a Tariff Bill, called by its opponents the "Bill of Abominations," was carried. The south at once protested, for the Bill had been framed entirely in the interests of the industrialists in the central and New England States, and the agricultural communities in the southern states were thoroughly well justified in thinking that the Government was deliberately treating them very badly. In the autumn of 1828 a Presidential election was held for the following year. All those who opposed the Tariff Bill worked hard for the return of General Andrew Jackson. Adams was defeated, and Jackson assumed office in the following year, with John C. Calhoun as his Vice-President.

Jackson found the National Debt greatly reduced and a surplus in the public Treasury. His first act was not to reward the officials to whose labours this satisfactory state of things had been due, but to turn them out by the hundred. He was emphatically the ablest representative of the new school of politics—the school which may be said to have been inaugurated by Jefferson—the school with which we

associate the so-called "spoils system." He had clearly expressed his intention of rewarding his helpers if he were elected, and the success of his plan led to the organisation of political caucuses all over the country. Indeed, the choice of Jackson at all was a sign that the caucus system had set to work and that the old race of politicians was dying out. Jackson, a comparatively unknown man in politics, was selected as candidate by a group of influential western "interests," and, unlike every other President or high official, he had never won a great reputation as a public servant by many years of administrative work; he had never served in an important office. He was opposed to such traditional features of the American Administration as had time to become noticeable in half a century. It was not to the aristocracy and moneyed classes of the city that he looked for support, but to the great body of the middle and lower classes. He was a party and not a national man, and he could not understand that there were times when political parties, if they meant to be patriotic, had to set aside their differences and work together for the benefit of the State.

The year 1829, when Adams resigned, is conveniently assumed to be the end of one economic period in American history and the beginning of another. Although the shipping interests were still very strong and powerful, greater attention was being devoted to manufactures; and the centre of industrial gravity was gradually being shifted from the coast to the interior. The cotton industry began to flourish in New England in 1820. The value of the cotton produced was only £500,000; by 1830 the value was £3,000,000. The woollen products rose in value

from less than a quarter of a million sterling in 1820 to well over two millions sterling two years later. Mills sprang up in all directions throughout Massachusetts, Connecticut, Rhode Island, and New Hampshire; any land which had a waterfall that could be used for power became valuable. Large parties of Irish emigrants began to arrive; rural families moved into the towns so that the sons and daughters might work in the mills, and a new labour class was formed. With the spread of the industrial system, labour disputes of a more or less serious character became frequent, and, in short, the United States, as we know the country to-day, was slowly beginning to evolve.

The tariff agitation just mentioned also had its effect on New England life as well as on the south. In the northern states the cultivation of grain had declined, the farmers preferring to breed cattle and sheep. Small agricultural trusts developed, particularly in Maine and Vermont, where the agriculturists sought to add to their profits by combining their small farms into sheep pastures. When the tariff agitation was started, these sections of New England naturally showed their sympathy with the wool-growers; but the disappearance of the small farmers resulted in a tide of emigration westwards. There were two sides to the case: it was a pity that long-established families should have been compelled to leave their holdings for economic reasons—the United States, as they knew the country, was not yet half a century old and their land should not have been worked out so soon; but if they had not sold their farms they would not have been able to establish themselves farther west with the money

thus obtained. The western states were indebted for their first civilisation to these eastern farmers. The rise in the cost of living following upon the increased demands made life hard for the more isolated farmers in the east, and the glowing tales of the wealth of the west exercised a fascination the financial aspect of which the New Englander was eager to consider.

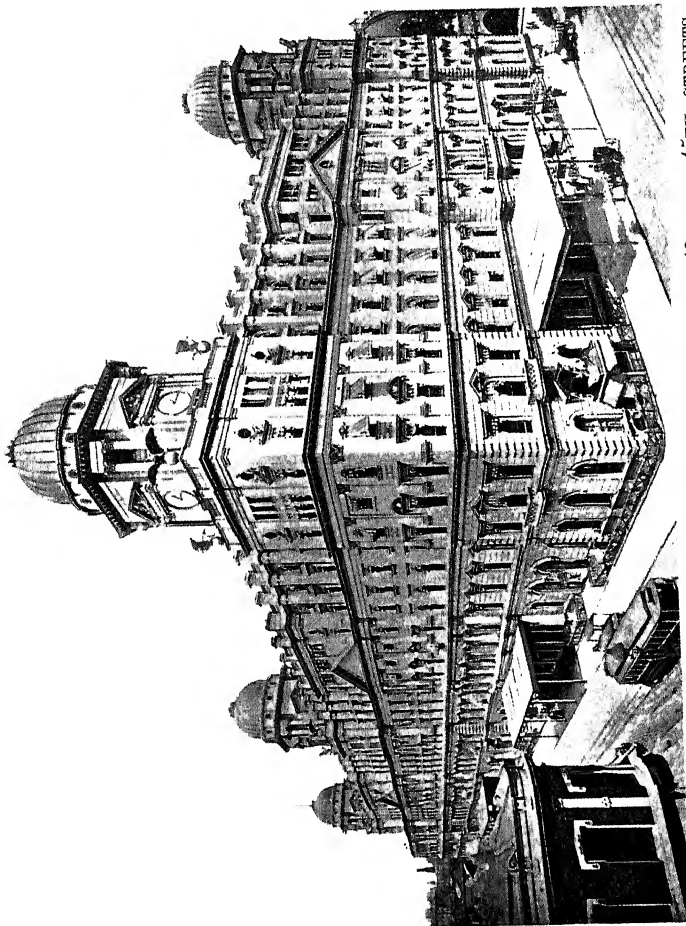
By this time the two most important central states had made great progress. The population of New York and Philadelphia had shown a tendency to migrate to the westernmost limits of those states ; and as they were now the most populous states in the Union this meant a considerable difference in the area under cultivation. In 1820 the western counties of the two states were given over to daring and isolated settlers, who, with much difficulty, cut or burnt down the trees, built log cabins, and undertook primitive agricultural work. In ten years the rough, untilled lands yielded a large surplus of agricultural products. Villages and even towns had been built, and the farmers angrily demanded further transport facilities. Lumber was shipped to Montreal by the Great Lakes and the St. Lawrence, in default of means by which it could be shipped to New York ; for the plan of sending lumber by the Ohio or the Susquehanna had proved impracticable.

An agitation, and by no means a lengthy agitation, resulted in the construction of the Erie and Champlain Canals. It was to De Witt Clinton that the country was indebted for the economic revolution that followed the construction of the Erie Canal : "As a bond of union between the Atlantic and the western states, it may prevent the dismemberment of

the American Empire. As an organ of communication between the Hudson, the Mississippi, the St. Lawrence, the Great Lakes of the North and West and their tributary rivers, it will create the greatest inland trade ever witnessed. The most fertile and extensive regions of America will avail themselves of its facilities for a market. . . . Before the revolution of a century, the whole island of Manhattan, covered with habitations, and resplendent with a dense population, will constitute one vast city."

This glowing effusion was more than justified, and justified long before the time predicted. The canal had an enormous political and economic effect almost immediately. It was only natural that the value of land in the western part of the state should double and treble, that villages near the canal should grow into towns, and the towns, such as Rochester, into large cities. In the very first year after the completion of the great waterway the tolls amounted to more than £100,000—a very large sum, considering the time and place; and in 1830 they had steadily risen to £250,000. The effect of the canal on New York City can be told in figures equally remarkable. The population increased from 123,000 in 1820 to 202,000 in 1830. In 1820 the value of the goods imported via New York was less than £5,000,000. In ten years it was more than £7,000,000.

Pennsylvania during the same period made less relative headway. Even by 1820, of course, there was a large trade in coal and iron ore; but the anthracite deposits were not yet being adequately worked. Transportation was difficult. The state suffered a little from the Erie Canal, which was taking produce via New York, while the Ohio and the



THE GRAND CENTRAL STATION, NEW YORK, EXTENDING FROM 42ND TO 45TH STREETS,
THE LARGEST RAILWAY TERMINAL IN THE UNITED STATES.

Mississippi Rivers were taking agricultural and other produce direct to New Orleans. The development of the coal industry in the decade from 1820-1830 had a great effect on transport. In 1820 only 360 tons of anthracite were taken from the mines, chiefly from the Lehigh Valley ; but by 1830 the yield had increased to 175,000 tons. The Schuylkill River was turned to account, and the Union and the Delaware Canals were constructed. Further plans for the construction of canals were not carried into execution on account of petty disputes among the farmers and merchants of the state. It need hardly be added that the iron masters and mine owners of Philadelphia and the state generally opposed the farmers on the question of the tariff when the agitation began in the late twenties.

During the same time cotton interests developed very largely in the southern states, particularly in Georgia and South Carolina—the latter state was also noted for its large rice exports. Some conception of the great extension of the cotton industry may be obtained by the consideration of one or two figures. In 1820 the exports of Georgia and South Carolina alone were valued at £3,000,000 ; the exports of all the rest of the United States amounted in value to £7,000,000. In 1825 the exports of cotton, rice, and tobacco from the United States (almost entirely, of course, from the southern states) were valued at £7,000,000 ; all the other exports were valued at only £4,000,000. The value of the cotton exports in the south had eclipsed the value of New England's famous carrying trade. The price of cotton during these years was well termed the barometer of southern prosperity.

All this prosperity in the south—only a few undeveloped districts on the seaboard failed to share in it—revived the practice of slavery and rendered it indispensable to the cotton manufacturers. This, too, resulted in a passing of power. Reference has already been made to Andrew Jackson's neglect of old institutions and classes. The south, finding itself economically strong, was beginning to make its power felt in politics. For fifty years the tobacco planters of Virginia had been the strongest body in the nation, and political power was, to a large extent, concentrated in their hands. Power and influence were now passing to South Carolina and to Georgia; from tobacco to cotton and rice. It is almost superfluous to say that the jealousy of the other states was considerable. The anti-slavery agitation in the north was not due by any means to humanitarian motives alone, but rather to the desire on the part of the northern commercial men to make the southerners compete with them, where they did compete, on more favourable terms. Governor Troup, of Georgia, as has already been mentioned, made this insinuation in writing when he thought Congress was interfering with the social and economic organisation of his state. When the chronological account of American political events is resumed, it will be seen that South Carolina was in a short time carrying on a bitter dispute with the Washington Government for a very similar reason.

This political propaganda against the south had, incidentally, the effect of confirming the southern states in their aristocratic outlook and traditions. The large slave owners resented the encroachment of democracy, equality, and freedom. The large farmers

objected to the growing political influence of the small farmers, and the aristocratic planters were horrified at the thought of being controlled by any one outside their own group. Decidedly there was some reason for applying to the southerners that typical English expression "the gentlemen of the country." Wherever there was slavery there were also aristocratic instincts, freedom of speech for the white population, courtesy, good manners, and striking individualities. Generally speaking, the reverse of these qualities was found in those states where slavery did not exist.

It is difficult to understand the progress of the American people in the second and third decades of the nineteenth century unless some notice is taken of the rapid rise of the western states. When we say western, in this connection, we mean Louisiana, Indiana, Mississippi, Illinois, Alabama, and Missouri—all of them states which had been added to the Union in the nine years between 1812 and 1821. These, with Kentucky, Tennessee, and Ohio, were the newer states, and they were populated by people who differed very greatly from the aristocratic families of New York, Pennsylvania, and Virginia. For reasons which have already been referred to, the families of the north had thought it better to migrate westward; and the time was come for many of the south-eastern and southern tobacco and cotton growers to migrate westward also. The south remained the south, and the north remained the north; but the centre of gravity gradually shifted from the seaboard into the interior. Long periods of cultivation—not in most cases careful or scientific cultivation—had led to poverty of the soil in the older

states; and the discontent caused by the poorness of the crops and the successive falls in the prices obtained for the cotton and tobacco produced in the older and nearly worn-out districts induced many families in the south and south-east to leave their relatively ancient homes.

A large increase in the population of the western states or, as we should now say, the middle western states, naturally followed; and the new population had new ideas on the subject of government and on many other questions besides. The people who had migrated were inclined to blame the aristocratic order for their poverty and failure; they were inclined to blame the Government in Washington; they were inclined to blame the tariff; and certainly there were many sound arguments to support their complaints. The fact remained that these newer states steadily became more important with their increase in population; and the rulers of the country found that they had to deal with men who held advanced opinions on democracy, the development of personality, and the opportunities which they thought should be given to the common man. The Mississippi Valley had been colonised, and with it a territory which was larger in extent than that of the thirteen original states. The land was, with comparative rapidity, filled with emigrants from Europe—chiefly from Teutonic, Anglo-Saxon, and Scandinavian sources—as well as emigrants from the eastern states of the Union.

It will have been noted as a significant symptom in the development of the United States that all the quarrels which had the most profound effect on the country resulted from a dispute over the respective

rights of the state and the National Government. These quarrels almost invariably rose out of some grievance which, examined to the very end, is usually found to be of an economic order. It may incidentally be remarked that the great split that finally occurred in the nation, and led to the civil war, followed the course of economic development—the north versus the south—which became inevitable when the southern exporters of staple products found their interests threatened by the northern manufacturers, who relied on the high tariff for their protection.

The state and the nation were again destined to be at wordy war. The fresh instance, and a very remarkable one, was the dispute between South Carolina and the Federal Government. The south, with South Carolina in particularly strong relief, had been carrying on a determined campaign against the burdens of the tariff. The subject was debated in Congress, but without any definite decision being reached. In the course of an argument, however, Robert Y. Hayne, a South Carolina senator, laid down the principle that a state had the right of declaring null and void any act of Congress which, in its opinion, was contrary to the spirit of the Constitution, since the Government, of which Congress was a small part, was the result of a compact among all the states. Daniel Webster, who represented Massachusetts, put forward the stock counter-argument—namely, that the Central Government was the act of the American people as a whole and not of the states. He upheld the principle that the general Government of the country was distinct from the state or local Government in a speech (January 26–27th, 1830) which has become a classic.

After this the subject remained in suspense for some time ; but in 1832 it was brought forward again by certain measures which Congress authorised with the object of placating the opponents of the tariff. The duties on several articles were reduced, but it was emphasised that the protective system must be maintained at all costs for the benefit of the growing manufacturing districts of the country. This announcement angered the South Carolina Legislature, which met a few months afterwards (November 1832). One of its first acts was to pass, after a few days' discussion, a resolution similar in tone to resolutions which had already been passed for analogous reasons by Kentucky, Virginia, Connecticut, and Georgia. The resolutions set forth that "Several Acts and parts of laws purporting to be laws for the imposing of duties on importation are unauthorised by the Constitution of the United States and violate the true intent and meaning thereof, and are null and void and no law, nor binding upon the state of South Carolina, its officers and citizens, . . ." and so on.

Up to this point the state of South Carolina had not said more than any of the other states which had deemed it necessary on former occasions to pass somewhat similar resolutions. This remarkable ordinance, however, proceeded to go beyond any of its predecessors ; for it concluded with the words, "We, the people of South Carolina, further declare that we will not submit to the application of force on the part of the Federal Government to reduce this state to obedience, but that we will consider the passage by Congress of any Act to enforce the Acts hereby declared to be null and void otherwise than through the civil tribunals of the country as inconsistent with the

longer continuance of South Carolina in the Union; and that the people of this state will forthwith proceed to organise a central government."

President Jackson, who belonged to South Carolina, displayed characteristic vigour, and a warship and troops were despatched to the south. At the same time the President was sensible enough to issue a personal appeal and warning to the citizens, which had more effect than the troops would have had if they had been used. The state hesitated; but its neighbours, though deprecating any resort to force, continued to condemn the tariff.

Henry Clay, who had advocated the Missouri compromise on slavery, now came forward with a tariff compromise. His proposal was, briefly, that all duties over 20 per cent should be reduced to that level gradually, over a period of ten years—i.e. until June 1842. This compromise was accepted by the House of Representatives and the Senate, and also by the people of South Carolina. Nothing more was heard of this matter, and the agitation died away. A new subject was becoming of greater interest, and although no purely political principles were involved, a very great deal of annoyance was caused to the country by the erratic behaviour of the President in connection with the United States Bank. When Jackson entered on his Administration, in 1829, he tried to have some of his friends appointed to positions in the National Bank. This new system of reward did not meet with the approval of the bank managers, and there was an exchange of words. In his message to Congress next year the President threw out a few hints about the growing power of the United States Bank, and suggested that its

charter had better not be renewed. Both the Senate and the House of Representatives supported the bank against the President, and in the following year, 1832, the Houses passed a resolution renewing the charter. Jackson at once vetoed this, and made several accusations of a trivial kind against the bank and its management.

This exercise of the veto caused extraordinary displeasure and bitter criticism throughout the country; but it happened that Jackson was sufficiently popular in other respects to be re-elected. He proceeded to take advantage of his renewed power to humiliate the bank. In December 1832 he recommended that Congress should weaken the bank by removing the national deposits from it; but as the Houses showed no inclination to move in the matter, the President himself stated to the members of his Cabinet that he proposed to remove the deposits on his own responsibility. The Secretary of State, William J. Duane, declined to participate in the transaction. He was forthwith asked to send in his resignation, and the Attorney-General, Robert B. Taney, was appointed to succeed him. The new Secretary of State carried out the wishes of the President, and issued an order, on October 1st, directing that the deposits should be taken away.

The uproar which followed this transaction, if we can judge from the current comments in the American Press on the proceedings in Congress, must have resembled the outcry over the South Sea Bubble. The President was attacked on every side, and a vote of censure was passed upon him by the Senate. The controversy continued for two or three years, and the effects of the withdrawal were felt all over

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the country. Having lost its national deposits, the bank was compelled to refuse to issue loans. Other banks, which naturally depended upon the National Bank for their credit, curtailed their advances and their general operations until business throughout the United States was suffering severely from the arbitrary action of a stubborn old man. The Government, during this particular period (1834-5), was itself wealthy enough, and a large sum was taken off the National Debt; but individuals and firms went bankrupt by the score. So great was the pressure of criticism directed against the Government that Congress could hardly find time to give its attention to a problem which was almost as important.

The slave trade had hitherto been denounced or vindicated at public meetings; and, if detailed arguments were entered into, they usually took the form of a petition to a state legislature or to Congress. The whole subject was now taken up by the newspapers and magazines and pamphlet writers, so that, instead of sporadic complaints about the iniquities of the slave traffic, or of those who opposed it, there were unceasing recriminations on one side or the other.

The controversy was intensified by a new movement which arose in the north under the name of Abolitionism; for the abolitionists, without paying the slightest attention to the claims of the south, based on the local or the National Constitution, or on anything else, demanded nothing less than the immediate cessation of slavery throughout the country, irrespective of the economic loss which those who depended on slavery would have had to suffer as the result of such a sudden change in their

social organism. Even in the north many people were to be found who regarded the demands of the abolitionists as extravagant, and several angry quarrels took place among the inhabitants of the northern states. In the south, as may be imagined, the feeling of indignation was unusually strong, and attacks on post offices for the purpose of destroying "obnoxious publications" were the least of the outrages committed. Finally, in 1836, Congress solved part of the difficulty for itself, though only for the time being, by refusing to discuss slavery, or to accept any further memorials on the subject.

The latter part of Jackson's Administration was marked by a series of Indian wars, but they are hardly of sufficient importance to call for special comment here. We may note that with the spread of the Republic, the Indians were driven farther and farther westward, always receiving very inadequate compensation for the lands of which they were legally and constitutionally dispossessed. In 1834 a dispute over certain French claims, which had been pending since the war of 1812-14, led to an exchange of passports, but, thanks to the intervention of Great Britain, the difficulties were smoothed over. With Arkansas and Michigan added to the Union, and the American flag respected on the high seas, the United States had now become a strong western Power. Treaties of reciprocity were entered into with Russia and Belgium; and when Martin van Buren succeeded Jackson, in 1837, he came to rule over a territory and population which were clearly of the greatest importance in the western world.

Much interest attached to the nomination of Van Buren, for he was the first President of the United

States who was not of English descent. His ancestors had been Dutch, but they had been long settled in America. His prospects of a peaceful Administration were clouded by the financial condition of the country; for, in order to counteract the effects of the withdrawal of the deposits from the United States Bank, Jackson had authorised the ordinary state banks to lend public money to individuals and business houses. The consequence was a long series of credit operations and a huge increase in the output of paper money, followed by a severe financial panic in the spring of 1837. An epidemic of speculative building did not help to mend matters, and the first really serious banking crash in the history of the country interrupted the commercial and private life of the vast community for months. In April alone the failures of commercial houses in New York City amounted to £20,000,000, and smaller towns were proportionately affected. In the first half of the year more than 170 firms in Boston had to suspend payment.

In May a deputation called upon the President and begged him to abrogate the last financial measure with which President Jackson had burdened his fellow-citizens—the so-called specie circular, which directed that all the collectors of the public revenue should receive nothing but gold and silver in payment. The President declined; and when his decision was made known all the banks in New York suspended specie payment. This example was followed by practically all the banks in the country, and a special autumn session of Congress was summoned to discuss measures of relief.

It was much easier, unfortunately, to discuss relief

measures than to suggest practical remedies. When demagogues meddle with finance, and especially with a banking system which is not yet firmly established, the results have invariably been disastrous ; and the best relief measures Congress could have recommended would have been the transfer of the control of the banking interests from the President's veto to banking experts. A Bill was passed after more than six weeks' discussion, authorising the issue of Treasury bonds to the extent of £2,000,000 ; but this, while safeguarding the finances of the National Government, did little for the individual states, which were suffering fully as much as the business houses. Most of the states, and particularly the newer states, had tried to develop too rapidly, and to this end they had borrowed enormous sums on which it was impossible to pay the interest.

In January and in August 1842 Maryland and Pennsylvania paid the interest on their state loans by certificates, and only partly even in this unsatisfactory manner. Indiana and Arkansas in July 1841, and Illinois in July 1842, made no payment whatever ; and in January and December 1842 Louisiana and Michigan endeavoured to repudiate part of their obligations, alleging fraud by their agents, which "relieved the Governments of any responsibility." In January 1841 Mississippi went even further than this, and the Governor recommended to the Legislature a resolution demanding the repudiation of £1,000,000 worth of bonds issued in 1838, on account of fraud and illegality. There was, of course, no serious attempt made to show that any fraud had been committed at all, or that the bond-holders were responsible and should suffer, even if fraud had been

committed; but considerations of this nature did not prevent the state of Mississippi from acting on the Governor's advice and repudiating her liabilities in 1842; and the territory of Florida followed her example a few months afterwards.

The monstrous dishonesty of the defaulting states had at least the effect of making English literature richer. Among those who had suffered from the new ideas of international honour in the commercial matters formulated across the Atlantic was Sydney Smith, who, in May and November 1843, addressed a petition to Congress at Washington and two letters to the "Morning Chronicle." The few pages covered by his sarcastic comments are well worth reading even to-day. A quotation from him will explain one financial side of the controversy; and the figures he gives are substantially correct:

Persons who are not in the secret are inclined to consider the abominable conduct of the repudiating states to proceed from exhaustion—"they don't pay because they cannot pay"; whereas, from estimates which have just now reached this country, this is the picture of the finances of the insolvent states. Their debts may be about 200 millions of dollars; at an interest of 6 per cent, this makes an annual charge of 12 millions of dollars, which is little more than 1 per cent of their income in 1840, and may be presumed to be less than 1 per cent of their present income; but if they were all to provide funds for the punctual payment of interest, the debt could readily be converted into a 4 or 5 per cent stock, and the excess, converted into a sinking fund, would discharge the debt in less than thirty years. The debt of Pennsylvania, estimated at 40 millions of dollars, bears, at 5 per cent, an annual interest of 2 millions.

The income of this state was, in 1840, 131 millions of dollars, and is probably at this time not less than 150 millions : a net revenue of only $1\frac{1}{2}$ per cent would produce the 2 millions required. So that the price of national character in Pennsylvania is $1\frac{1}{2}$ per cent on the net income ; and if this market price of morals were established here, a gentleman of a thousand a year would deliberately and publicly submit to infamy for £15 per annum ; and a poor man who, by laborious industry, had saved one hundred a year, would incur general disgrace and opprobrium for 30s. by the year. There really should be lunatic asylums for nations as well as for individuals.

Certainly not less good is Sydney Smith's summary of the feeling in Europe when the announcement of the various repudiations were made known to America's creditors :

I never meet a Pennsylvanian at a London dinner without feeling a disposition to seize and divide him—to allot his beaver to one sufferer and his coat to another—to appropriate his pocket-handkerchief to the orphan and to comfort the widow with his silver watch, Broadway rings, and the *London Guide*, which he always carries in his pockets. How such a man can set himself down at an English table without feeling that he owes two or three pounds to every man in company I am at a loss to conceive : he has no more right to eat with honest men than a leper has to eat with clean men. If he have a particle of honour in his composition he should shut himself up, and say, "I cannot mingle with you, I belong to a degraded people—I must hide myself—I am a plunderer from Pennsylvania." Figure to yourself a Pennsylvanian receiving foreigners in his own country, walking over the public works with them, and showing them

Larcenous Lake, Swindling Swamp, Crafty Canal, and Rogues Railway, and other dishonest works. "This swamp we gained (says the patriotic borrower) by the repudiated loan of 1828. Our canal robbery was in 1830; we pocketed your good people's money for the railroad only last year." All this may seem very smart to the Americans; but if I had the misfortune to be born among such a people, the land of my fathers should not retain me a single moment after the act of repudiation. I would appeal from my fathers to my forefathers. I would fly to Newgate for greater purity of thought, and seek in the prisons of England for better rules of life.

It may be permissible to anticipate a little and to say that neither Sydney Smith's remarks nor the remarks of influential Americans like Channing were without effect; for, in 1845, Pennsylvania took the lead in raising the country's status by paying off what she owed her creditors. Even so recently as 1913, however, the financial methods of some of the newer states in the Union were open to severe criticism.

The financial question ended for the time being with what was known as the Sub-Treasury Scheme, which was recommended by President van Buren in his message to Congress when he convened the extra session. By this plan an independent Treasury was established for the safe-keeping of the public funds, which were no longer placed in the public banks. This measure was discussed with much acrimony before it was at length passed.

The question of slavery was an important factor in deciding the electoral campaign of 1840 for the election of the President who should take office in 1841. In order to combat the slave owners and

their powerful followers, an anti-slavery party was formed with the object of "running" a Presidential candidate, and, early in 1840, a number of delegates from six states organised a party which was afterwards known as the Liberty party. It was decided to nominate James Gillespie Birney and Thomas Earle as President and Vice-President respectively. The names of the Whig candidates were William Henry Harrison and John Tyler. Harrison was the man previously referred to who had broken the power of the Indians at the battle of Tippecanoe, in 1811; and he was a popular general during the second war with England. There was one circumstance connected with his candidature which is worth mentioning, not merely because it explains the outcome of the election, but because it gives some indication of the feelings of the middle-west at the time.

Harrison was one of the numerous servants of the state who had suffered from the vengeance of President Jackson, and, in 1829, he was forced to retire to his farm in Indiana. Here he lived in his primitive log cabin, decently poor, but highly respected by the country. It happened that Van Buren had lost most of his popularity owing to the financial stringency, and Harrison's election would have been almost a certainty in any event. It was made inevitable, however, by a cutting reference in a democratic paper to the poverty of the prospective head of the state. Such a man, said the writer of the article, would be more at home in a log cabin than in the White House, the official residence at Washington of the Chief of State.

No Chinamen whose ancestors' graves had been insulted, no conscript father rudely bearded by a

barbaric Gaul, could have felt more outraged than the people of the west when this sneer was reprinted, to be excitedly discussed, and passed indignantly from farm to farm. The humble log cabin, with its mud-plastered sides and its earthen floor, had long been a symbol of American daring and hardship; and in primitive dwellings of this well-known type hundreds of thousands of voters—indeed, millions of men and women then living—had been born and brought up. The log cabin was adopted as the Whig emblem; and the essential attribute of the log cabin, the barrel of cider, which all the settlers kept for the benefit of stray travellers, was not forgotten. Miniature log cabins appeared at every meeting and normal-sized barrels of cider with them; and thousands of families had good cause to complain in after-years of the evils of intoxication wrought by the “hard-cider campaign” of 1840. To have been born in the gutter, and brought up amid dirty surroundings and with untended noses, were proud recollections of the heroes of our kailyard novelists; but no prouder than the recollection of his log cabin was to Harrison and his followers. The sentimentalism which sympathises with poverty, or rather with the low status which necessarily accompanies inferior men when they become poor, brought General Harrison triumphantly to the White House. He was inaugurated in March 1841, and exactly one month later, on April 4th, he died, in his sixty-ninth year. In accordance with the provisions of the Constitution, the duties of the office then fell to the Vice-President, John Tyler.

Tyler's commonplace Administration was relieved by two events which were not directly due to him

or to his immediate advisers. One was the Webster-Ashburton Treaty; the other the annexation of the Republic of Texas—a slave-holding state. The treaty with England was intended to settle many outstanding questions such as the definition of the main boundary line and the newly claimed right of British ships to search American vessels engaged in the slave trade. Lord Ashburton was sent to Washington as a special envoy by Lord Aberdeen, who had succeeded Palmerston as Foreign Secretary after the defeat of the Melbourne Government in 1841. The disputed boundary line was at last fixed, and it was decided that the two nations should keep squadrons of specified strength on the west coast of Africa to act in concert for the suppression of the slave trade. Above all, Webster finally secured the proviso that no American ship should be searched.

A clause of almost equal importance in the eyes of the Americans was that which laid down the rule that any person accused of murder, piracy, arson, or other such serious crime in the territories of a different Power should be handed back to his own country for punishment. "I undertake to say," asserted Webster, when he was explaining his work to the Senate in 1846, "that the Article for the extradition of offenders, attained in the treaty of 1842, if there were nothing else in the treaty of any importance, has of itself been of more value to this country and is of more value to the progress of civilisation, the cause of humanity, and the good standing of nations, than could readily be computed." When this treaty of Washington, or the Ashburton Treaty, as it is also called, had been definitely signed, Webster handed in his resignation.



THE SACRED GROVE, LOS PUEBLOS DE TAOS, NEW MEXICO.

His place was taken by a pro-slavery friend of President Tyler, a man named Upshur, and the Administration proceeded to consider the annexation of Texas.

So long before as 1813 several parties of adventurous Americans crossed the border to help Mexico in her struggle against Spain. At that time little was known about the large stretch of territory to the west, and it was quite uncertain whether it was part of Louisiana or of Mexico. When the treaty of Florida was concluded (1819-21), Texas passed into the hands of Spain, who lost it almost at once to her rebellious province of Mexico. Bands of Americans continued to settle in the territory, and Stephen F. Austen, of Missouri, headed one special group of emigrants in 1821. The little population was rapidly increased by the arrival of fresh bodies of emigrants, and in 1833 the Texans, wishing for a more clearly defined form of government and administration, asked to be admitted as a state of the Mexican Republic.

This was refused, Austen was put in prison, and the Mexican authorities sent a strong force to "subdue" the people who had ventured to make a perfectly reasonable request. The Mexican Government believed that the best plan in the circumstances was to disarm the Texans, but strong resistance was made to the body of troops sent for this purpose. The battle of Gonzales was fought on September 28th, 1835, and at a place called Washington the independence of the state was proclaimed on March 2nd, 1836. A constitution was afterwards formally adopted. In the following month the Mexican President, Santa Anna, was totally defeated at San

Jacinto, and a few months afterwards General Houston, who had led the Texan troops to victory, was chosen President of the independent Republic of Texas. He expressed the hope, in his inaugural address, that the people might be admitted as United States citizens; and as most of them were emigrants from the United States the wish was natural.

The question of the admission of Texas caused much uneasiness in the United States. Despite the defeat, Mexico still claimed Texas as her own territory, and announced that any attempt on the part of the United States to annex the province would be considered as an act of war. Again, there was a large party in America which objected to the fact that slavery was authorised in Texas. For the time being, therefore, the Washington Government was satisfied to recognise the independence of Texas, and the offer of the people to join the Union was not encouraged. The subject continued to be a matter of dispute for several years, and with every new state which was admitted to the Union the question of Texas had to be discussed—when, for example, Arkansas was admitted on June 15th, 1836, Michigan on January 26th, 1837, Iowa in March 1845, and Florida later in the year.

The northern states and their representatives in Congress wished to keep Texas out unless slavery was prohibited; the Democratic party, which upheld slavery, and relied largely on the slave-holding states for support, was anxious to admit such an excellent slave market as Texas undoubtedly was. The Democrats publicly supported the annexation project when the first election campaign was begun, and even

before that they succeeded in inducing the Houses to pass joint resolutions authorising the admission of Texas in March 1845. The state was formally "received" at the end of December of the same year; and the Democratic party, profiting by the support of their previous resolutions, succeeded in winning the next election, James K. Polk being chosen President and George M. Dallas Vice-President.

The Mexican Government, as the Americans had soon to realise, meant what it said when it announced that the annexation of Texas would be regarded as an act of war. When Congress passed the resolutions just mentioned, the Mexican minister at Washington asked for his passports, and, early in April, the Government of Mexico City requested the American minister to take his departure. In these circumstances the American Government ordered its troops to move to the Rio Grande, which river was generally understood in America to represent the south-western boundary line dividing Texas from Mexico. The Mexican Government protested, and held that the boundary line was indicated by the River Nueces, some 200 miles to the eastward of the Rio Grande. General Arista, ordered to defend the territory lying between the Rio Grande and the River Nueces, came into conflict with the American troops under General Zachary Taylor. A preliminary skirmish resulted in the defeat of a small American advance force. Taylor called for volunteers in Louisiana and Texas; and, on May 11th, 1846, the President informed Congress that "war exists, and exists by the act of Mexico herself." Authorisation was at once given for the calling up

of 50,000 volunteers; and, while these proceedings were in progress, Mexico, who knew nothing about them, formally declared war on May 23rd.

As soon as war had actually broken out, all parties in the United States were agreed in thinking that it had better be fought to a finish. The Mexicans were divided, and they built hopes, which were not realised, upon a dispute between the United States and Great Britain, with regard to the relatively far-off territory of Oregon. The American claims to Oregon were based on the Spanish cession of Louisiana, in 1803, "with all Spanish rights to the western shores," upon voyages made by an American officer, Captain Gray, in the *Columbia*, in 1792—a great river in the north-west took its name from his ship—and upon an exploring expedition under Captain Lewis and Lieutenant Clark (1803–6). The British Government had counter-claims of prior discovery. In 1818 and 1827 both countries came to a temporary agreement with regard to joint possession of the territory in dispute; but attempts made later on by President Monroe and President Tyler to define the boundary line were not successful. During the Presidential campaign of 1844, the favourite American war-cry was "Fifty-four forty, or fight," referring to the proposed boundary-line of $54^{\circ} 40'$. A renewal of this last offer by President Polk was rejected in 1845, but in 1846 America agreed to a compromise proposed by Great Britain. According to the terms of this proposal, the boundary-line was to be latitude 49° ; the British were left in possession of Vancouver Island, and had confirmed to them the right of navigating the Columbia River.

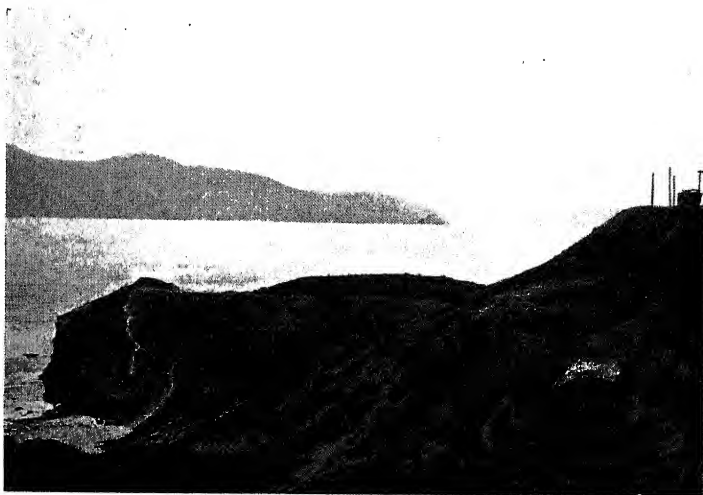
These arrangements, while not unsatisfactory to

the United States and to England, were not regarded favourably by Mexicans, against whom the Americans were now free to direct all their attention. The Mexicans, although superior in numbers, were gradually driven back by the American army. Their defeat was due to moral as much as to military considerations; for Mexico was in every sense a divided nation: the commanding officers were known to be intriguing for political power; the Government itself was irresolute and corrupt; and even the clergy were indignant over the seizure of their property, which was taken to provide the funds for the cost of the war. There were many desperate engagements (particularly at Buena Vista—a battle lasting two days, being fought on February 22nd and 23rd, 1847); and on the 14th of the following September, General Scott, with fewer than 7,000 men, took possession of the city of Mexico. It was significant that in the peace discussions which followed the Mexicans made great efforts to secure a non-slavery constitution for the captured territory of Texas; but the American negotiators could not listen to these demands. In February 1848 the Mexican Government reluctantly agreed to cede Texas, New Mexico, and Upper California, and peace was formally declared on July 4th.

There is one incident to be noted in connection with the Mexican war, as it is illustrative of the methods employed by the United States Government even at the present day. Before it was known on the Pacific Coast that war had broken out, a band of American settlers, with the direct encouragement, and, in fact, under the leadership of Captain John Faremont, of the American army, declared

themselves independent of Mexico at Sonoma, near San Francisco, on July 4th, 1846. Faremont after this urged the settlers to proclaim California an independent republic, which was done. In this case, as in the case of Texas, the underhand encouragement to secede, the proclamation of independence, and the subsequent formal annexation were merely steps by which provinces belonging to a friendly Power were incorporated in the Union. There is no sentiment in diplomacy; and, as international morals go, no very grave censure can be passed on such acts. They are worth bearing in mind, however, when we hear the United States, as we so often do now, professing to be an entirely peaceful and humanitarian nation.

The appeal of the Mexicans that Texas might be "free" instead of "slave" had a very considerable effect in America. Clearly neither political party wished to commit itself; and it was evident that the Missouri difficulties would reappear and would have to be discussed all over again. Let it be remembered that the Democrats trusted to their support in the slave-holding states, and it was therefore to their interests to advocate the extension of slavery to the newly-annexed territories; but without the aid of the Democrats in the northern states, who were anti-slavery, they could not hope to elect a President. The Whigs relied upon the anti-slavery electors; but the Whigs themselves were powerless without the aid of the members of their party in the south, who held slaves and intended to go on holding them. The campaign was also complicated by what was known as the Wilmot proviso, which laid down the principle that no appropriation should be



TWO EXTREMES.

The Brooklyn Bridge, which spans the East River between New York City proper and Brooklyn. It was begun in 1870 and completed in 1883 at a cost of £4,200,000.

The "Golden Gate" at the entrance to San Francisco Harbour.

made towards the cost of the war unless it was specifically agreed that there should be no slavery in the new provinces. This proviso was twice defeated in Congress, but the advocates of the principle held by it firmly.

The Democrats finally met in convention and decided on Lewis Cass, of Michigan, as their candidate for the Presidency, with General William Butler, of Kentucky, as Vice-President. Cass opposed the Wilmot proviso, and was consequently in favour with the southerners. The Whigs passed over the names of Daniel Clay and Webster, and selected General Zachary Taylor, who, it should be mentioned, was a slave-holder. It was taken for granted that the slavery parties would win the election—a fact which in itself tells us much about the social and economical condition of America at the time. The result of the campaign was quite uncertain until a Democratic defection was notified from the state of New York. A section of the Democrats there, dissatisfied with the choice of Cass, nominated ex-President Martin van Buren for the Presidency. They were known as the “Barnburners,” and the group formed the so-called “free soil” Democrats, their chief party “plank” being “a free soil for a free people.” This split in the Democratic party led to the return of Taylor, who otherwise would not have had a sufficient electoral majority.

One issue had become more clearly defined during the campaign. The question of slavery within various states was no longer the main subject of discussion; both parties devoted themselves rather to the question of the extension of slavery to new territories. It was over this that the slavery and

anti-slavery parties waged war on one another; for the southerners endeavoured to secure new ground for slavery exactly as the northerners endeavoured to keep slavery out of new acquisitions. The matter of the Oregon boundary having been settled with Great Britain, a Bill establishing a territorial government for the district was laid before the House in 1847; but it was suspended in the Senate because it contained a provision excluding slavery. Early in 1848 the Senate introduced a new Bill which did not contain this provision; but this measure was opposed in the House of Representatives by those members who wished to see slavery excluded from Oregon lest the principle should be extended to California and New Mexico. It was in the end agreed that slavery should be prohibited in Oregon; and no decision was reached regarding California and New Mexico.

The whole of this discussion turned on economic principles—on matters connected mainly with climate and soil. The belief held at first in the north was that the products of California and New Mexico (a district containing what we now call the states of Colorado, Utah, and Nevada) would be “southern” products, resulting in further economic advantages to the south by which the north might relatively lose ground—for the tariff question was still an irritating one. The question of slavery, thanks to the discovery of gold in California, settled itself. The rush of the “Forty-Niners” led to California being occupied by thousands of emigrants from the northern states, and, in a short time, the territory put forward a demand for admission as a state and drew up a constitution strictly prohibiting slavery.

Again, expert reports soon showed that the vast area of New Mexico was economically allied with the northern states, and that such products as would come from it would be "northern" products.

The view expressed by John C. Calhoun at this time was indicative of the attitude of the south. He advised that the question of slavery or anti-slavery should be fought out to a definite issue there and then; that in his opinion the Union depended upon the permanent preservation of a perfect equilibrium between the slave-holding and the free states, and that such an equilibrium could be maintained only by some form of policy which would render possible the creation of as many new slave-holding states as free states. The Missouri compromise, he added, had already affected the south to a great extent; and he looked to Congress to restore the balance by authorising slavery in California and New Mexico.

Calhoun's remarks referred to the provision for prohibiting slavery in Oregon, while leaving its application in California and New Mexico unsettled. This provision was known as the Clay compromise, and it gave Daniel Webster an opportunity of making known his views on the question. His famous utterance in 1850, the "Seventh of March Speech," brought about a very striking effect. He was of the north, and his sympathies were with the north; but in this famous speech he dwelt on the grievances of the south, and practically summed up his position, as he had done some time previously in a letter, by indicating that although he abhorred slavery he was unwilling to break up the Union to abolish it. Webster's position was simply that of many other American statesmen of the time, what-

ever their sympathies might have been. He was convinced that slavery was one of the vested interests of the American nation, and that any interference with it must be regarded as equivalent to interference with any other form of property. Hence the defection of "the God-like Daniel," this "great expounder of the Constitution," to quote two of the descriptions which he liked to hear applied to him. It may be remarked in passing that Webster's speech provoked a poem by Whittier entitled "Ichabod"—its badness may be attested by a few stanzas, which are of interest chiefly as showing the general feeling that prevailed in the north at the time :

So fallen ! so lost ! the light withdrawn
Which once he wore !
The glory from his grey hairs gone
For evermore !

Revile him not—the Tempter hath
A snare for all ;
And pitying tears, not scorn and wrath,
Befit his fall !

Let not the land once proud of him
Insult him now,
Nor brand with deeper shame his dim,
Dishonoured brow.

But let its humbled sons, instead,
From sea to lake,
A long lament, as for the dead,
In sadness make.

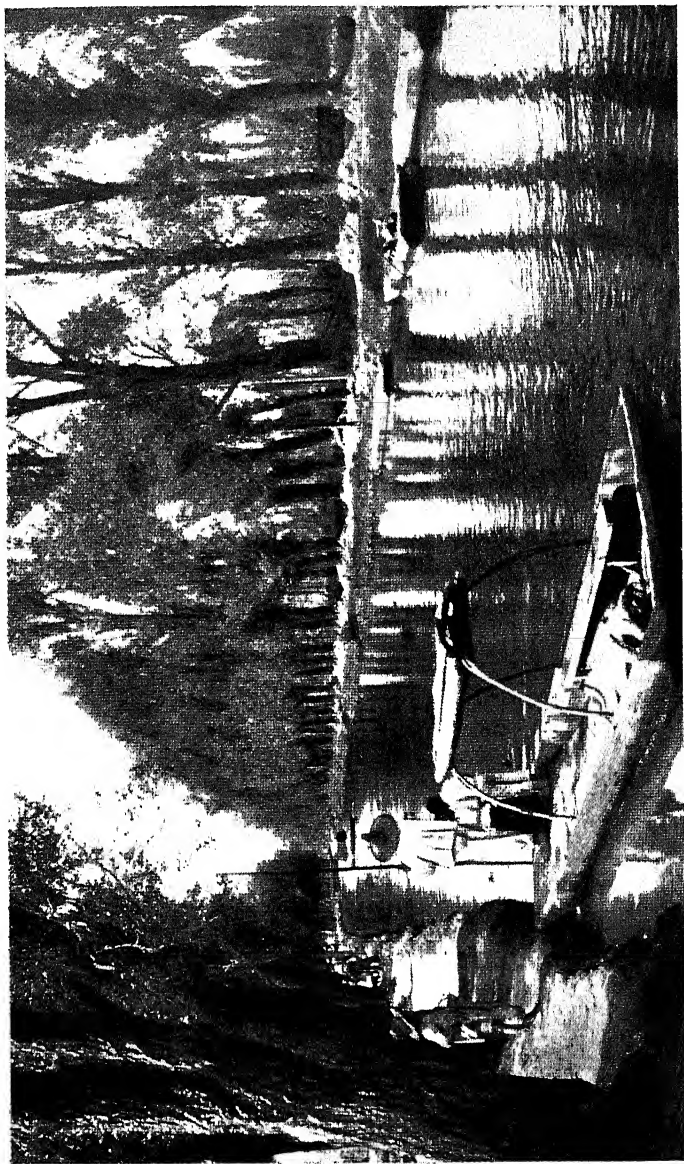
Then, pay the reverence of old days
To his dead fame ;
Walk backward, with averted gaze,
And hide the shame !

The slavery question was destined not to be settled, even in part, until 1865 ; and it is not wholly settled yet. The Clay compromise proved to be merely a check in the torrent of oratory and abuse, which soon began to flow as strongly as ever. The Governors of Texas and Mississippi made preparations for going to war with New Mexico, which, at the suggestion of President Taylor, had drawn up an anti-slavery constitution. Southern senators and representatives called on the President, and hinted that it would be useless to oppose these preparations with the national army ; for there was every possibility that the southern officers in the army would refuse to fight against their countrymen. The old soldier at once rose to the occasion. " I will command the army in person," he declared, " and any man who is taken in treason against the Union I will hang as I did the deserters and spies at Monterey." And he would have done so if the efforts which were being made to arrive at a compromise had not been successful. Indeed, Clay found that the President himself was the most vigorous opponent of compromise ; and a deadlock had been reached when, luckily enough in the circumstances, Taylor died on July 9th, 1850, of a sudden attack of typhoid. The Vice-President, Millard Fillmore, was, on the contrary, a very enthusiastic advocate of compromise ; and the reorganisation of the Cabinet, with Webster as Secretary of State, indicated that the grievances of the south would receive more favourable attention than the deceased President had given to them.

In a few weeks all the Bills connected with the Clay compromise were passed. The New Mexico Bill, slightly reducing the extent of the new territory,

was approved of, and Texas was satisfied with a grant of £2,000,000 in settlement of her claims to a large area; the California Bill was the next to go through, and shortly afterwards the Fugitive Slave Bill became law. This Act greatly irritated the north, since it provided for the whole executive power of the Central Government being devoted when necessary within the limits of the free states to the capture of runaway slaves. The final Bill passed was the District of Columbia Bill, which prohibited slavery within the area set aside under the jurisdiction of the central power.

The year 1850 is also memorable for the signature of the Clayton-Bulwer Treaty, the first diplomatic instrument laying down stipulations in connection with the Panama Canal.



IN THE SOUTH-WEST: LA VIGA CANAL, IN "OLD MEXICO," NEAR EL PASO (TEXAS).

CHAPTER VII

The slave trade—Immigration problems—The development of the west—John Brown of Ossawatimie—The Civil War—Financial panics—The Alaska purchase.

THE slavery disputes of the decade from 1850 to 1860 involved more than mere questions of economics or even of politics; they were concerned with the rearrangement of an old social order. Reference has already been made to the aristocratic rule of the southern states and the impress it stamped on the nature and character of the people. What was true of the 1830's was equally true of the 1850's; but the old order was now more obviously passing away.

The year 1848 had witnessed a great revolution in Europe; there was a feeling of unrest, even in those countries which were not disturbed by internal strife. From this time the number of emigrants from Europe to the United States greatly increased. Not quite a quarter of a million settlers had arrived in 1847; but in 1849 the number was more than 300,000, and in 1850 it was nearly half a million. The new arrivals would not settle down in the southern states, which had no attractions for them: they preferred rather the middle west or the west, or even the far north-west; and, with the gradual increase in the populations of the other states, the influence of the south proportionately declined. More than that: the newer states became self-

reliant social organisms; they had begun to show their dislike of the older traditions of the south by returning Andrew Jackson as their President years before; and time had strengthened their dislike of the ruling class which flourished amidst slavery.

These people did not stop to consider the ethics, the economics, or the practical effects of slavery; it never occurred to them that the negro character was more suited to the rule of the planters, which was, on the whole, kind and good-natured, than to the freedom of responsible government; they did not realise that a country, to be properly governed, must have a ruling class, however inert and at times corrupt such a section of society might seem to be. It mattered little to them that such a creative class—in fact, all creation in art or literature or science—must necessarily develop, if it is to be sound and permanent, out of a class which has leisure, a class which need not trouble itself with the heart-breaking, bone-stiffening, toil of the pioneer frontiersman.

Such a class, chiefly composed of lawyers and clergy, had long existed in New England, and in New England its influence was felt for generations; but it existed to a greater extent—one might say to a national extent—among the aristocrats of the south; and it was the south which, even in the early 1850's, still continued to exercise a marked influence on the policy of Congress and the organisation of political parties. The south had lost power relatively, no doubt; but the authority exercised by the southern aristocrats and party leaders of politics was, if not decisive, at least very strong and altogether out of proportion to the wealth and population of the southern states.

There was a reason to be found in the climate and soil for this state of things. After many experiments it had become evident that manufactures could not flourish in the south; and the rising population of America, both native and foreign-born, wanted manufactures for the sake of the profit. The new states which were added in the preceding half-century—Kentucky, Tennessee, Ohio, Illinois, Missouri, Arkansas, Michigan, Iowa, Wisconsin, and California, to take them in order, and not forgetting the territory of New Mexico—soon swarmed with immigrants from all parts of the United States and from all parts of Europe. There was only one way for the south to counter this enormous increase: it could take its social order farther westward, to Texas and New Mexico, and to as many of the riotous states in the north of Mexico as it could overpower, and there re-establish slavery and the social order founded upon slavery. To this the free-soil parties still objected. They held by what they considered as the spirit of the Constitution; they would not interfere with slavery in those states in which it had been legally established; but they would not countenance its extension into new states and territories.

At this stage the spokesmen of the south, especially Calhoun, were disposed to call even the Constitution into question. To the southerners the Constitution had been a document of great importance—a legal instrument to which they were devotedly attached; but, after all, they did not regard it as perfect: it was simply a venerable makeshift agreed upon at the time of the revolution for want of something better. They respected it, and

even felt some attachment for it ; but they did not see in it the national pole-star, the idol that deserved almost divine worship, which the northerners meant when they spoke of the Constitution. This distinction was particularly well seen in the Webster-Hayne debate in the Senate. Webster looked upon the Constitution with veneration ; it was to him what the Bible was to religious leaders like Luther and Wesley. To Hayne the Constitution was a political document of supreme value and importance. Nevertheless it was a political document and nothing more ; he examined it from the point of view of his own case as a higher critic might look for flaws in the Old Testament.

Hayne, Calhoun, and all the other southern leaders particularly insisted on the old definition of the rights of the people. The Central Government, they invariably contended, emanated from the people of the individual states in their separate capacities as distinct political communities, and not from all the people considered as one aggregate political community. The Constitution in their eyes was a compact to which each of the states was a party, and each state in consequence possessed the right to examine the laws framed and passed by the Washington Government and to declare those laws null and void if they infringed the laws of the United States.

Obviously enough, it was difficult to decide under this principle exactly how far an individual state might go in opposing the authority of the Central Government. When South Carolina took a stand against the Tariff Acts, in 1828, President Jackson made ready to enforce the will of the central authority

by battleships and regiments of soldiers, but the compromise on the tariff did away with the necessity for a definite test. The tariff, indeed, still acted as a restraint on the south. The southern states were not building up wealthy businesses under the protection of Customs duties, as the northern and north-eastern states were doing. The northerners not only looked upon the Central Government as their protector from foreign competition, but as their helper at a difficult economic period; and the Constitution to them was the basis of this authority and assistance. The south, on the other hand, never thought of the Washington Administration without thinking of the anxieties and trouble inflicted on the planters by this Administration, based as it was upon the Constitution, in regard to the interpretation of which they differed considerably from the official jurists, however much they cared for the Constitution as an abstract principle of political conduct.

Until 1861 these different interpretations of the Constitution were to be more and more emphasised. Up to Calhoun's time they had been felt, though little stress was laid on them, but in the 1850's the juristic battle raged furiously. The south, as the southern statesmen were compelled to admit, had not done well out of the Fugitive Slave Law. It was applied as the planters wished, but the sight of runaway slaves being seized and carried off was too much for the population in many of the northern towns. In scores of cases serious rioting occurred, and the best classes of citizens joined in attempts, many of them successful, to rescue the prisoners. The news of such scenes did not tend to allay the bitterness felt in the south; and, unfortunately, the three men

who were most instrumental in keeping the peace between the two opposed sections of the country were now no more. Calhoun passed away in 1850, and Clay and Webster soon followed him—the former in June and the latter in October 1852. All three of them had given up as many of their early principles as they could with the sole object of maintaining the Union intact without bloodshed, and all three of them died realising only too well that their efforts and sacrifices were likely to be in vain.

In the autumn of 1852 the electoral campaign was begun. The mere list of the groups taking part in it is sufficient to upset the very common and erroneous belief that the United States has always held fast to the two-party principle of government. There were Democrats, Whigs, Free-Soilers, the scattered remnants of the Liberty party, the Western Democrats, and a new group calling itself the American party. This last group had been formed with the motto, "Americans must rule America," and its object was to keep the control of politics in the hands of native-born Americans and beyond the power of the numerous immigrants who had crowded into all sections of the country during recent years. The organisation of the party consisted in some sort of secret order or club; but no member of the body would admit any connection with such an order, and professed entire ignorance of it. This led to the party being referred to as the "Know-Nothings"; but although the nickname stuck the party did not suffer from it. It gathered to itself many of the discontented Whigs and Free-Soil Democrats. In a surprisingly short time it became a strong political body; and it formed the nucleus of a group which

subsequently became known as the Republican party.

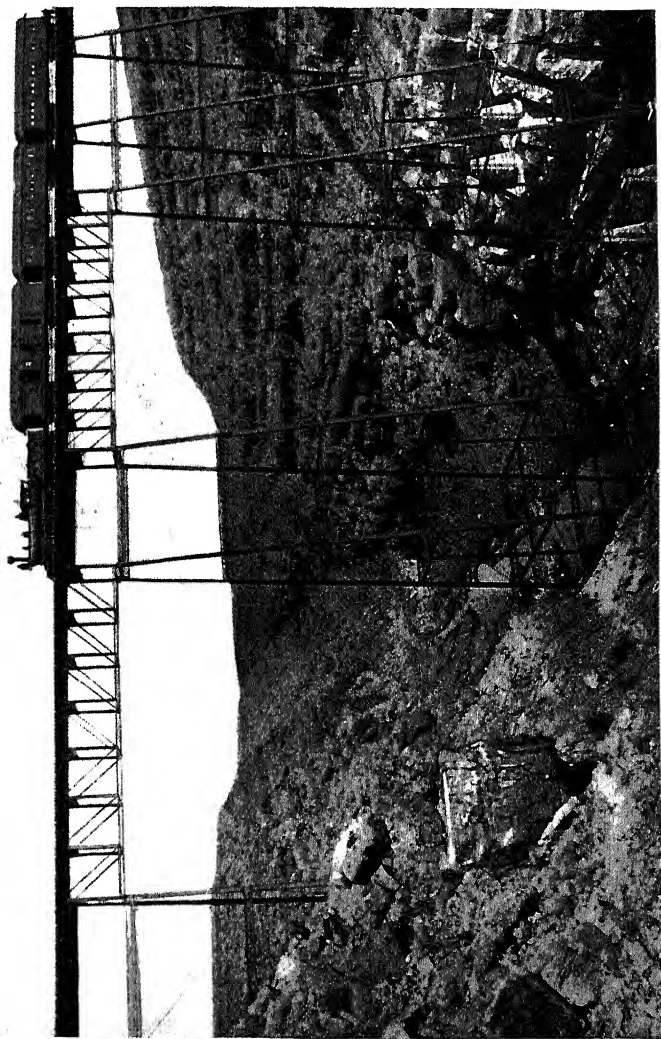
The Whigs were unprepared for the election of 1852 ; they had neither good candidates nor attractive principles. Their nominee for the Presidency, John Winfield Scott, had distinguished himself in the Mexican war ; and they depended upon his personality for office. There were, nevertheless, many Whigs throughout the country who, although they approved of Scott, disliked their party's support of the Clay compromise, and would not be won over by the charm of a soldier, however distinguished ; and the Free-Soil Democrats took away many of the Whig stalwarts. The Democrats were the only really united party at this time. They stood for slavery openly and without hesitation ; and their candidate, Franklin Pierce, of New Hampshire, was returned. Furthermore, the solidity of the Democrats and their well-trained party organisation enabled them to add thirty-seven members to their number in the House of Representatives and six to their supporters in the Senate. In spite of the favourable omens from the south, this was really the last desperate stand before the old order broke up. The new groups were sorting themselves out ; the west was beginning to appreciate and use its influence more and more ; and the direct rule of the older classes was definitely coming to an end. Henceforth they continued to wield a powerful influence, but it was local rather than national.

One of the earliest events in Pierce's Administration was a further extension of American territory by the Gadsden purchase. Mexico still laid claim to a large tract of territory lying to the south-west of New

Mexico, which, it was asserted, had not been transferred to the United States by the treaties which concluded the Mexican war, five years previously. Santa Anna went so far as to send an army to take possession of the district in dispute; and Pierce, rather than venture upon another war, deemed it prudent to offer Mexico £2,000,000 for the land. The offer was accepted, and the purchase was concluded through James Gadsden, of South Carolina, who was acting as American minister to Mexico. Part of the land comprised in the Gadsden purchase, as it was called, now forms a large section of New Mexico and Arizona.

This was a trifling matter as compared with the great question of slavery. For the second time in ten years it now happened that the English-speaking world was profoundly moved by a book relating to American affairs. The first occasion had been nine years before, when, in 1843, Charles Dickens, who had visited the United States twelve months previously, published "Martin Chuzzlewit"; and England shook with laughter and America with indignation over Mr. Jefferson Brick, General Scadder, Mr. Elijah Pogram, one of the "master minds" of America, and the "New York Rowdy Journal." The slight exaggeration of the characters had hit off the people they represented so exactly that the general truth of the gigantic satire could not be denied. Not for nine years was "Martin Chuzzlewit" superseded, and then only for a short time, by a book of vastly inferior literary quality, but of more pronounced and immediate effect on an even greater evil (as it was thought to be), than that which dealt with the swindling transactions of General Choke.

In the summer of 1852 Mrs. Harriet Beecher Stowe



CANON DIABLO, ARIZONA.

The Atchison, Topeka, and Santa Fe Railway Bridge is 510 feet long and 222 feet high.

gave to the world "Uncle Tom's Cabin." The chief character is said to have been taken from a negro slave who was afterwards ordained for the ministry as the Rev. J. Henson, visited London in 1876-77, and was presented to Queen Victoria. Whoever the hero may have been, the novel caused an extraordinary sensation in the United States. It was unquestionably overdrawn. It narrated exceptional circumstances as if they were everyday incidents in the southern states; it was not a serious work of art, but an account in the form of a novel of what were alleged to be normal occurrences. There was, however, just sufficient—barely sufficient—foundation in reality for the volume to be regarded as truthful; and the northern states were deeply stirred by the pathetic account of the wrongs of the slaves in the south. More than 300,000 copies were sold in a few months; and a play founded on the book was enthusiastically received. Channing summed up the significance of Mrs. Stowe's work as well as any one when he remarked, "The northern boys who read 'Uncle Tom's Cabin' in 1852 were the voters of 1860 and the soldiers of 1861-65."

President Pierce offered the Secretaryship of State to John A. Dix, of New York, but Dix, on account of his well-known sympathy with the slaves, was looked on with suspicion by the Democratic party, and thought it better to decline the honour. The man finally appointed was William L. Marcy, who was not long in office before entering into a dispute with the Austrian Government on account of a Hungarian revolutionist named Martin Koszta. As this was in its way a sequel to the Hülsemann incidents, the two cases may be dealt with together.

In 1850, just after Webster had assumed office as Secretary of State under President Taylor, a United States official was sent to Europe to report upon the revolution in Hungary led by Kossuth. This action was resented by the Austrian Government, and some correspondence took place. Hülsemann, the Austrian Chargé d'Affairs, wrote a somewhat dictatorial letter to Webster, who replied in a despatch that speedily brought the controversy to an end. Webster simply asserted the right of the American Government to "watch revolutions wherever they occurred," and stated that America sympathised profoundly with any nationality which was "struggling for a constitution like our own." He added that the United States intended to keep itself out of European entanglements, but he somewhat unnecessarily emphasised the fact that "all the possessions of the House of Hapsburg are but as a patch on the earth's surface compared with the United States."

Three years later came a further dispute with Austria. Martin Koszta had escaped from Hungary to the United States, and taken out his first citizenship papers. While on a business trip to Smyrna he was kidnapped and put in irons on an Austrian warship. The commander of an American sloop-of-war in the Mediterranean demanded his release as an American citizen, and, pending a decision as to his nationality, Koszta was delivered up to the French Consul-General. An Austrian protest was followed by a lengthy reply from Marcy, in which he laid down a complete theory of United States citizenship and emphasised the right claimed by the United States to offer protection to those who had become "clothed

with the national character." This statement was received with approval by all the political groups, and increased Marcy's chances of nomination for the Presidency, especially as Pierce had fallen into disfavour on account of his indecision and general lack of ability.

The tragic struggle between north and south was about to begin. If the Gadsden purchase had disheartened and offended the anti-slavery men, they were still more provoked by a proposal introduced in the Senate by Stephen A. Douglas to open to slavery all the new territories under the jurisdiction of the Washington Government not yet formally admitted as states of the Union. Early in 1853 a Bill had been introduced for the organisation of Nebraska territory, comprising the so-called "Platte" country—Kansas, California, North and South Dakota, Montana, and parts of Colorado and Wyoming. Douglas had been afraid all along that this thinly-populated area would be turned over to the Indians as a reservation for them, and ever since 1843 he had been urging on Congress the necessity for organising the "Platte" country. The so-called Kansas-Nebraska Bill was re-introduced in December 1853, and referred to a committee of territories, of which Douglas was chairman. As reported to the House, largely at the inspiration of Senator Douglas, the Bill entirely disregarded the Missouri compromise and the Clay compromise, and left slavery a matter of choice to the states concerned. This was what Douglas called the doctrine of popular sovereignty, but what his opponents preferred to call "squatter sovereignty." The Bill actually passed in this amended form by the end of May 1854.

In spite of this Democratic success—for the passage of the Bill was undoubtedly a triumph for the south—influential voices had been raised against the measure, especially in the Senate. William H. Seward and Hamilton Fish, of New York, Salmon P. Chase and Benjamin Wade, of Ohio, Charles Sumner, of Massachusetts, and Solomon Foote, of Vermont, formed a very powerful opposition, and their arguments were not likely to be uttered unheeded.

As slavery was left to the option of the states, it was a mere matter of arithmetic. If the pro-slavery families succeeded in settling down, keeping their opponents out as far as possible, and securing for themselves the majority of the votes, a slavery constitution for each new state would be the natural consequence. There was a rush to Kansas, which was not unlike the rush to the California gold-fields five years previously. The pro-slavery families poured in from Texas; the anti-slavery families, subsidised by various societies for the protection of the negro, were hurried in from the north and north-east. The two sections were not long in coming to blows; and from blows they were not long in coming to firearms. There is little hesitation shown over the use of a revolver even in modern Texas, and sixty years ago there was very much less. Within two years of the signing of the Kansas-Nebraska Bill blood had been shed, and the Federal troops had been called in to preserve law and order among their infuriated countrymen.

Kansas was formally admitted as a free state in 1866, and slavery was forbidden by its constitution; but while the struggle over Kansas had been pro-



TRUNKS OF PETRIFIED TREES IN THE PETRIFIED FOREST, ARIZONA.

ceeding, indirect attempts had been made to establish slavery in another direction. In 1854 the southerners seriously considered a proposal for taking over Cuba from Spain and annexing it as a slave state; and several filibustering expeditions were fitted out under the leadership of Governor Quitman, of Mississippi. The raids on the island naturally drew protests from the Spanish Government, and only the strong feeling aroused in the north over the Kansas-Nebraska Bill prevented the southerners in the House of Representatives and the Senate from urging the country into war with Spain so that Cuba might eventually be annexed. As it was, both Pierce and Marcy had some difficulty in making their pacific counsels heard; but the arrest of Quitman ended the matter for the time being.

The southerners, however, determined to show that they were not yet at the end of their resources. A change of ministry in Spain led them to hope that Cuba, if it could not be annexed, might at least be purchased. Pressure was brought to bear on the President, and this resulted in the Ostend conference, when Buchanan, Mason, and Soulé, the American ministers to England, France, and Spain respectively, met to discuss the Cuban question. They recommended that the island should be bought from the Spanish Government for what was, in their opinion, the fair price of £24,000,000. They argued that Cuba was necessary to the United States for strategical as well as commercial reasons: the Union, they said, would "never enjoy repose or possess public security as long as Cuba is not embraced within its boundaries." They argued, in consequence, that if Spain refused to sell the island the United States would be justified

in obtaining possession of it by force of arms. The anti-slavery agitation, however, was too strong for the plan to be carried into effect.

The year 1856 brought another election campaign; and the groups, miscellaneous as they were, had by now settled down into two bitterly opposed factions: the Democrats and the so-called anti-Nebraska men. The latter had been formed at first on the basis of the "American party," but in their new form the groups called themselves, jointly, Republicans. In one year after their formation as a definite political body they had secured 117 votes in the House of Representatives and 11 votes in the Senate. The election resulted in the return, though not by a very large majority, of James Buchanan, one of the signatories of the Ostend manifesto, who was pledged to support the Democratic programme.

The first half of his term of office was notable much less for the discussion of the slavery question than for the great financial depression which the United States had to suffer in 1857. The panic was the result of the rapid advance and over-speculation of the previous ten years; for money, though soundly enough invested, was invested in stocks that could not immediately be realised, and commercial enterprises in the west were slow in yielding returns. The situation was complicated by the American banking system; for each state chartered a bank to issue notes, and each state, furthermore, had its own laws regulating the credit of such notes. There was no national regulation such as there has always been in European countries; and no one could tell from day to day which bank or apparently sound commercial house was about to fail next. Reciprocity

treaties had been entered into with Great Britain and Japan, in 1854 ; but, although business was aided by them to some slight extent, no amount of treaty-making could have kept abreast of the speculation which was taking place in the west. The crash had to come ; and although it was severe it taught no lesson, and was by no means the last.

There was one slavery incident in 1857 which withdrew attention from the financial panic, though not for long. In the case of *Dred Scott v. Sandford*, the Supreme Court declared, in effect, that a man could do what he liked with his own property ; that there was property in slaves, and that although Dred Scott had been taken by his master, an army surgeon, from Missouri, a slave state, into Illinois, a free state, he could not be said to have acquired the rights of a free citizen merely because he had lived in a free state for a time. This case was made a subject of discussion by the northerners in the course of the general elections for the Senate in 1858, when the Republicans of Illinois made a determined effort to get Abraham Lincoln elected instead of Stephen A. Douglas. They failed ; but Douglas went back to the Senate with a greatly decreased majority ; and Lincoln had acted and spoken with such original vigour and sound sense during the campaign that it was decided to nominate him as a Republican candidate for the Presidency in 1860.

In spite of the evident change in public opinion, the President and his Democratic advisers refused to take any notice of the anti-slavery agitation. After the election of 1858, the President, in his annual message to Congress, recommended the adoption of certain measures in connection with slavery which

became of international consequence. One of his suggestions was that the United States should secure possession of Cuba; a second was that she should assume a protectorate over the nearer states of the Mexican Republic; a third was that she should establish definite rights of control over the isthmus. The Republicans saw in these proposals only a means of securing further slave territory; but they meant more than that. They were really the expression of the political ambitions of an expanding people; and the fact that such ambitions might as yet be nothing more than latent in the majority of the inhabitants mattered little. The seeds of American imperialism had been sown, and their first timid appearance was seen in President Buchanan's message in 1858.

The recommendations were not adopted just then; two of them have since become realities. If the Americans have not yet established a protectorate over the northern part of the Mexican Republic, there is some prospect that such a protectorate may eventually come about; and, as for Cuba and the isthmus, the rights of the United States have been emphasised even more by the later interpretations of the Monroe Doctrine than by the war with Spain in 1898.

Although the causes of the war between the north and south were primarily economic—there would have been no war if manufactures could have been established in the south, and if tobacco and cotton could have been grown in the north on a large scale—it must be definitely stated and not merely acknowledged that there were thousands of Americans who disregarded the mere economic side of the question for the ethical side, who objected to slavery on the

ground that it was anti-Christian, and who were quite ready to take up arms against the supporters of slavery on that account alone. By the middle of the nineteenth century, it had become a fixed article of faith in the north that slavery was "wrong"; and among the untravelled people of the north-west and the north-east, the woes of "our coloured brother" were placed in the same category as the woes of the early Christians. It is not surprising, therefore, that a religious fanatic should have determined on unusually stern measures for the prevention of what he regarded as a sin in the eyes of God.

John Brown of Ossawatimie, whose name cannot be dissociated from Harper's Ferry, was born in Connecticut, in 1800, and was a direct descendant of Peter Brown, who came over in the *Mayflower*. He was a man of the most rigid and unbending Puritanism, and his travels in the slave states while quite a youth had given him a horror of war and slavery. He became prominent in middle life for his attempts to aid runaway slaves and for the part he took in the agitation against the social system of the south. Speeches and pamphlets being useless, Brown set out on the night of Sunday, October 17th, 1859, at the head of a little band of twenty men, half a dozen of whom were negroes, and seized the United States arsenal at Harper's Ferry, Virginia. His intention was to strike a blow for the freedom of the slaves by setting an insurrection in progress, after which he hoped to be able to escape to the mountains—heedless, one must presume, of the appalling consequences, particularly to women and children, which must have followed any such outbreak.

The mad plan failed. Either the slaves had not been warned, or they preferred to remain in slavery, and the guards of the arsenal, at first overpowered, quickly gave the alarm. In the morning Brown and his companions, including four of his sons, were shut up in the armoury; and, in the subsequent firing, several persons were killed on both sides. The townspeople, alarmed for the safety of their wives and families, had risen in a body, and in a few hours Colonel Robert E. Lee, afterwards destined to become so famous as the southern military commander, had captured or killed the outlaws. Brown was tried on charges of treason, conspiracy, and inciting slaves to rebel; and he was hanged on December 2nd following.

At the time, the desperate act gave rise to the most alarming rumours all over the south; for it was at first reported that the slaves in Virginia had risen in revolt. Even a knowledge of the truth did not cool the feelings of the southerners, many of whom, while admitting that the failure of the plan had had a good influence on the slave population, refused to believe that Brown had acted as he did on his own initiative. These people saw in the seizure of the arsenal simply an attempt on the part of the northerners to set their country aflame, and they were in no mood for distinguishing between the extreme abolitionists and the free-soil Democrats. The northerners, for their part, condemned the attempt to help the slaves by seizing the arsenal, but nevertheless emphasised the sincerity of the criminal ringleader and his good intentions. It was not until after the war that the action at Harper's Ferry was magnified by the northern historians into a feat of

world-wide importance, and Brown raised to the rank of a martyr in the cause of liberty.

With the feeling of uncertainty which resulted from this event still in the air, the parties met in convention in 1860 to nominate their candidates for the Presidency. The Democratic Convention was so hopelessly divided that it nominated two candidates—the northern section was in favour of Stephen A. Douglas and the southern of John C. Breckinridge, of Kentucky. The Republicans nominated Abraham Lincoln, who was elected: the fate of the candidates suggested by the minor groups need not be inquired into. It may be noted that the votes cast in the electoral college in favour of Lincoln numbered 180; those for all his opponents combined numbered 103. Yet the “popular” vote for Lincoln was only 1,866,452 and against him 2,823,741—a majority of nearly a million against the Republican party. In view of what happened during Lincoln’s Presidency, and the opinion now held of him by the whole world, it would be interesting to know how this curious voting might appeal to the advocates of proportional representation.

The only state in which the delegates to the electoral college were chosen by the Legislature was South Carolina; and, after having voted for Breckinridge, the members remained in session until the result of the balloting was known. When the news of Abraham Lincoln’s return was received, a constitutional convention was summoned to meet at Charleston, on December 20th. This body, after a short conference, declared “the dissolution of the Union subsisting between South Carolina and other states under the name of the United States of America.” Within one

month of this decision, Mississippi, Florida, Alabama, and Georgia followed South Carolina out of the Union. On February 4th, 1861, representatives from six "cotton" states—for Louisiana had seceded in January—met at Montgomery, Alabama, to organise a provisional government. The Convention, or, as it now called itself, the Congress, adopted the name of the Confederate States of America, and chose as provisional President and Vice-President Jefferson Davis, of Mississippi, and Alexander H. Stephens, of Georgia. In March the appointment of these two well-known leaders was confirmed for six years.

It is worth remarking that the constitution of the new confederation differed in several respects from that of the Washington Convention. Slavery was definitely authorised; protective tariffs were specifically prohibited; the rights of the individual states were increased; and all "internal improvements at the general charge" were forbidden. Furthermore, it was decreed that the President should be elected for six years instead of four, and should not be eligible for re-election. This last proposal was revived quite recently, only a few months after the Wilson Administration came into power, in 1913.

The right of this Congress to discuss anything or to pass resolutions in behalf of the people of the south has often been questioned; but the social conditions peculiar to the south must be taken into consideration when it is suggested that no appeal was made to the people in the southern states. The southerners were accustomed to a type of society which was not so very far removed from feudalism, and they were more than willing to follow the leaders,

who, without election or other warrant, took their place at the head of affairs by the mere right of descent, personality, and influence. The number of the confederated states was raised to seven when Texas joined the others, and eventually the final number of eleven was reached by the participation of the border states of Virginia, North Carolina, Tennessee, and Arkansas. It does not appear that there was any particular enthusiasm in these states for definite secession, but they all appear to have objected to the President's assertion that seceding states would be crushed by force if necessary. This drastic measure they regarded as an infringement of public liberty, in view of the large population represented by the southern states which had determined to secede.

Those who are interested in tracing the economic development of the United States will naturally be more interested in the causes and results of the war than in the campaign itself. As has already been stated, the main cause of the struggle was economic, and no appeals to the abstract causes involved can check this cardinal fact. From the summary of America's economic development already given it will have been seen that the balance of power was gradually shifting to the northern states, and the undeniably superior type of people in the south were being slowly crushed by the democratic north and the ultra-democratic north-west. The southern families had spent a long time on their estates, and had succeeded in founding worthy traditions, but the northern and north-western states had by the 1860's been filled, where they were inhabited at all, by a lower class of shifting population—tradesmen,

farmers, and workpeople from half Europe; but no gentry from any quarter of the world.

In 1860 the states which were eventually known as the Confederate States had a population of only eight million whites and four million slaves; as opposed to an all-white population in the north of nineteen millions. Here was a disparity that existed all through the war; for the north was richer in men, money, munitions, and general resources. From the beginning of the war to the end these advantages of the north were apparent and decisive. Lincoln from first to last had to summon to the colours 2,690,000 recruits, but the men came willingly. The Federal navy, which at the outbreak of the war numbered only four vessels, comprised 671 at the end of the campaign; and the strength of the seamen rose from 7,600 men to 51,500. The Federal navy was chiefly engaged in blockading the southern ports and thus preventing the export of the great southern staple—viz. cotton.

One very significant fact deserves special notice. The slaves, who, it was hoped in the north, would prove a source of danger, or at least of serious inconvenience to the south, did all in their power to assist their masters. They built fortifications; they raised the crops on which the people subsisted throughout the campaign, and they took charge of the families of the white men who had gone to fight. In only a few isolated instances was the trust reposed in them betrayed—much to the disappointment of the writers of sensational literature like "Uncle Tom's Cabin," who had looked for an immediate negro rising.

The war lasted practically four years, from the

fall of Sumter, on April 14th, 1861, to the surrender of Lee at Appomattox, on April 9th, 1865. As the interests at stake have already been defined, the details of the campaign are not of so much concern for the purpose of this book as were those of Washington's campaign against the English. The three most interesting features of the war with which it will be sufficient to deal are, first, the economic condition of the United States at the end of the war, and especially the destruction of the American mercantile marine; secondly, the Alabama claims; and, thirdly, the assassination of President Lincoln.

The whole of Lincoln's career was a justification of at least one feature of the American character to which, no doubt in consequence of its shortcomings in other respects, too little justice has been done on this side of the Atlantic. That a country youth, a rail-splitter, possessing no qualifications but his sterling character, common sense, and a keen mind, should have risen to the Presidency by perfectly constitutional means, and have been elected for a second term simply because he did his work well, is a phenomenon which it would be difficult to parallel in modern times outside of the United States of America. When he himself said, in addressing a regiment of volunteers from the steps of the White House, "I am a living witness that any one of your children may look to come here, as my father's child has," he was making a remark which was justified by subsequent experience, for five volunteer soldiers of the Civil War afterwards occupied the Presidential chair. Not even the petty quarrels of the northern generals, not all the political corruption of the time, prevented this man from doing his duty; and his

speeches and letters are made up of the hard, short phrases of a man who has known the struggle for existence as more than a mere scientific expression. No democracy, merely because of the fact that it is a democracy, can of itself produce men like Lincoln; but American democracy is probably the one form of government in the world that gives men of his stamp an adequate opportunity of exercising their talents for the benefit of humanity. Among the many harsh things that must be said of it, let this be set down to its credit.

Lincoln was assassinated on April 14th, 1865, at Ford's Theatre, in Washington, by a fanatical secessionist, John Wilkes Booth, who shot the President as he was sitting in a box with his wife and a few friends. A plan, which happily failed, had been carefully prepared whereby simultaneous attacks were to be made on other high officials, and Seward, who was acting as Secretary of State, was set upon in his bedroom and badly wounded. Booth escaped to Virginia, where he was shot in a barn by his pursuers on April 25th.

The rapid increase in the Federal navy is easily accounted for by the fact that when it had been determined to blockade the Confederate coast-line of 3,500 miles every available merchant vessel was taken over by the Government and used as a man-of-war. The southern states had no navy to speak of—they were especially deficient in ironclads, and what ships they had were generally manned by landsmen. As the international law on the supplying of ships to combatants was not clear at the time, the southern states were able to obtain from England a few "commerce-destroyers"; for the southerners

recognised that the north was vulnerable in her trade. The *Alabama*, *Florida*, *Georgia*, *Shenandoah*, and *Rappahannock* were thus bought, though the last never actually put to sea, and a dispute took place over the first. These vessels captured or sank as many as 261 northern trading craft, two of which were steamers.

The attacks shortly after the outbreak of the war became so serious that many northern shipowners sold their vessels to neutrals—such sales increased from 17,000 tons in 1860 to 26,000 tons in 1861, 222,000 tons in 1863, and 300,000 tons in 1864. The total tonnage of the American mercantile marine decreased from 2,496,000 tons in 1861 to 1,300,000 tons in 1866. There were other causes than the southern attacks which led to this decline, as the *Alabama* claims showed. For one thing, the insurance rates rose sharply; and, again, few vessels could get cargoes to deliver when the delivery of a cargo was so uncertain.

The war had even more effect on American commerce than these figures indicate. By the time it was over the American shipping trade was lost, and it was never recovered. The lucky blunder or misfortune which enabled the *Alabama* to set sail was indirectly responsible for laying the foundation of the present gigantic British carrying trade. The American Government held the British authorities responsible for the depredations committed by the *Alabama* on northern commerce between the date of her departure from the Mersey (July 28th, 1862) and the date of her destruction (June 19th, 1864). International law, so far as this particular vessel was concerned, was fairly clear. It had been held lawful

to build vessels which were not manifestly war-vessels for a belligerent in neutral ports, and even to purchase guns and stores in neutral ports, though they might be for the equipment of the vessels thus built. It had, however, been held unlawful to equip with guns, stores, and munitions of war any vessel built for a belligerent in a neutral port previously to her leaving the neutral jurisdiction.

Captain Semmes, who had been appointed commander of the *Alabama*, was strictly enjoined by the Confederate Government to keep the destination of his vessel a close secret, so as to avoid giving the British Government any possible pretext for seizing her. The United States Government, however, ascertained what was being done, and the minister in London asked the British Government to detain "No. 290," as she was called, as this vessel was intended for use by the Confederates. While the British Government was taking legal advice on the point, No. 290 sailed out of the Mersey under the pretext of making a trial trip, and, when the order was given to detain her, it was too late.

Mr. Seward first raised the question of compensation, in 1862-3. In 1868 Lord Stanley, who had vainly tried to come to a friendly agreement, was succeeded at the Foreign Office by Lord Clarendon; and Clarendon was able to conclude a treaty in 1869 by which it was agreed that the case should be submitted to arbitration. This way out of the difficulty was rejected by the American Senate, a body which, in spite of its professions, never seems to have looked kindly on arbitration treaties, and does not intend to do so, if its action in 1912 is a further indication of its considered judgment. The negotiations were

then taken up by Lord Granville, and in 1871 a joint commission was appointed to meet at Washington for the purpose of considering the question. A treaty was concluded there, by which, after other outstanding questions had been settled, the *Alabama* claims were referred to an independent tribunal of five arbitrators, one to be appointed by Queen Victoria, the second by the President of the United States, a third by the King of Italy, a fourth by the President of the Swiss Confederation, and a fifth by the Emperor of Brazil. This tribunal met at Geneva in 1871; and some difficulty was caused by the Americans at first insisting on the inclusion of the so-called "indirect claims"—i.e. the cost of the extra insurance rates, the loss to commerce, etc., as well as the actual losses caused by the *Alabama*. These claims were afterwards dropped, and Great Britain was ordered to pay nearly three and a quarter millions sterling to the American Government—about one-third of what had originally been demanded. During the war American ship-building had been at a standstill. When the campaign was at an end, steam was rapidly taking the place of sail, and English carrying companies had secured a lead which they have never since lost.

The secession of the eleven southern states caused, of course, much financial disorder. The National Treasury was practically empty; and it was with difficulty that small government 6 per cent loans could be cashed at 10 per cent to 12 per cent discount. The measures taken to raise money had no little effect on the import trade; for high protective tariffs were imposed in order that home industries might be strengthened and developed; and then the re-

sources of such industries were unhesitatingly taxed for war purposes. An income tax of 3 per cent was imposed on all incomes of more than \$800 (about £160) a year, and in February 1862, Congress, by the Legal Tender Act, authorised an issue of paper money, the now well-known "greenbacks."

The National Bank Act, which followed a year later, was an attempt, though not a very successful one, to restore some sort of order to the chaotic banking system. The west had hitherto been the grave offender in all banking matters. There were resources of every kind to be developed; but capital was scarce: the emigrants who came out had no money to speak of. Where could they obtain any? Naturally enough, from their state banks, which they controlled through their local legislatures—a most mischievous system of financial administration. The state banks, each of them subject to state and not to national laws, issued loans without much inquiry, and the financial panic which followed has already been referred to. The Legal Tender Act might well be called an attempt to do the same thing on a national scale. Various other methods of raising money had to be resorted to before the war closed; and, when it did close, the National Debt of the United States stood at the high figure of \$2,773,000,000 (about £554,600,000).

With the substitution of legal-tender paper for coin there was an inflation of prices; and most of the financiers began to speculate in gold. The fluctuations of the premium on legal-tender paper on a gold basis varied from par to 5 in January 1862; from 34 to 60 in January 1863; from 51½ to 60 in January 1864; and from 97½ to 134½ in January 1865. This

speculation, and the disastrous means to which the Government resorted in unsuccessful attempts to stop it, caused all sorts of wild fluctuations on the Stock Exchange, and at one time the premium had risen to the high figure of 185. The premiums still maintained a high level until January 1879, when the Government resumed specie payments, which had been suspended at the beginning of the war.

In view of the Currency Bill passed by the Democratic Congress under President Wilson's Administration, in 1913, it will be interesting to glance for a moment at the National Bank Act of Mr. Secretary Chase, which was the basis of American banking from the date of its passing until the end of 1913. In view of the number of spurious bills in circulation throughout the different states, and the opportunities for forgery which the loans system of banking afforded, Chase proposed that the banks which deposited United States interest-bearing bonds in the Treasury might receive circulating notes, properly registered and countersigned by the Treasury Department, equal in value to 90 per cent of the value of the bonds deposited. These notes were to be made legal tender for all demands except interest on the public debt. The duty of regulating the national banks was entrusted to a new official, the Comptroller of Currency. The National Bank system gradually superseded the state banks, thus bringing the control of the country's currency into the hands of the Federal Government.

This measure of 1863 was frankly introduced, at first, with the object of giving the State a market for government securities; but it was not drawn up with a view to possible development in the foreign treaty of America, and certainly did not take into considera-

tion the fact that the bankers of the country might at some future date find it necessary to work in co-operation. A national bank—and there were about 7,000 national banks in the United States in the first decade of the present century—is not a State bank in the sense that the Bank of England is a State bank. A real “National” bank of this nature, indeed, is what the United States has never had; and in consequence there is no American discount rate, any more than there is any American market for commercial paper.

The theoretical establishment of a national bank is an easy matter; for the State has always granted the necessary licence if it could be shown that a bank was needed in a new and rapidly growing district, and if the promoters could furnish the minimum amount of capital demanded by law—the small sum of £5,000. The absence of any central agency has been felt for years; and has become more and more necessary with each financial panic, particularly the panic of 1907. At a time of panic the national banks, owing to the lack of some central office or agency, have never been able to move funds quickly to the districts where money happened to be scarce. This circumstance, which, of course, the provision of a central reservoir controlling cash reserves would have entirely obviated, has always been a feature of American financial crashes. Above all, the Act of 1863 did not take foreign trade into account, so that a great deal of purely United States banking—for example, the annual arrangement for financing the cotton crop—has had to be transacted through banks in London or Paris.

The Glass Bill, to give the measure passed by the

House of Representatives and the Senate in 1913 its proper name, aims at remedying these defects. Financially it is an Act "to provide for the establishment of federal reserve banks, for furnishing an elastic currency, affording means for re-discounting paper, and to establish some effective supervision of banking in the United States, and for other purposes." Once more, however, the main principle of one central bank, so strongly recommended by expert financiers, such as Mr. Vanderlip, appears to have been overlooked. The Glass Bill provides for numerous changes in detail which will have the effect of grouping the national banks together rather than of co-ordinating them; and it further provides, not for the one central bank, which was so obviously necessary, but for eight to twelve central banks. These banks, and through them the whole banking system of the country, will be under the control and supervision of a federal board at Washington; and arrangements are to be made for doing away with the present system of a bond-secured circulation.

Considering the corrupt nature of American politics, it is hardly likely that the new federal board will retain the confidence of the financial public for very long—if, indeed, it ever gains such confidence at all. The board is to consist of the Secretary of the Treasurer, the Comptroller of the Currency, and five members appointed by the President with the consent of the Senate. This board, with its enormous powers over finance, will therefore be a purely party organisation; and an amendment to the Bill, introduced and passed towards the close of the final debates, stipulates that any officials appointed by the federal board shall not be subject to the regulations

governing the appointment of ordinary civil servants. In other words, this party organisation, in charge of the national finance, will be able to enrich its followers by appointing them to positions without the formality of a Civil Service examination.

From this necessary digression let us return to the conflict of the states. It has already been mentioned that the south was outnumbered from a military point of view in every direction, and it is difficult to say how far its financial condition contributed to its final downfall. The Confederate Government could not get money for its war chest; and the stringent blockade of the southern ports prevented the export of cotton, on which an export duty had been authorised. Attempts were made to borrow money from abroad on the security of the cotton stored on the plantations and ready for delivery; but financiers were unwilling to take the risk. The great banking firm of Erlanger did agree to advance £3,000,000 at 8 per cent to be issued at 77; but, owing to the charges for commission and the amount spent in buying ships and war supplies, which were captured by the northerners, only a fraction of the amount ever came into the possession of the Confederates. The government of the south was, therefore, reduced to the expedient of issuing large quantities of paper money; and loans were floated, to be subscribed for in kind as well as in specie. By the end of 1863, or the beginning of 1864, it was calculated that £120,000,000 in paper money was in circulation. The inevitable result when it was seen that the northern forces must ultimately prevail was that a gold dollar could be exchanged in the south, towards the close of the war, for nearly

\$1,000 paper, and the whole industrial organisation of the south was naturally disorganised in consequence.

This inflation of currency raised the price of all commodities. Coffee had risen to four times its usual price by the end of the first year of the war, and, in 1865, it was 125 times its ordinary price. The cost of salt, sugar, and manufactured goods also rose to vast proportions; and attempts by the Government to regulate prices ended in failure, as they had ended in failure so long before as the time of Washington.

As time went on, firms refused to sell their products to the Government in exchange for the depreciating paper money; and when they were threatened with the confiscation of their goods they ceased to produce cereals and increased their crops of cotton and tobacco. Though the south suffered in this way from paper money, it is too seldom realised that every large issue of paper money by the Union has led to the same condition of things, though in a much smaller degree. Paper currency results in inflation and higher prices; and both north and south had an entirely false standard of value. Money may well be plentiful when it can be issued by almost any bank without much government regulation or control, as in the north, and still more plentiful when inflated issues are authorised by the Government itself, as was the case in the south. The outstanding military ability displayed by General Lee, the courage and daring of the southern troops, and the readiness of the people to make the large sacrifices demanded of them—these were the factors, and the only factors, that enabled the south to hold out for four years. In any other circumstances the north must have been a victor long before.

The north, at the conclusion of the war, was in a much better position than the south. It was true that the public debt now amounted to £300,000,000; but manufactures had been little interrupted; and a ready market could be found for beef, mutton, pork, and cereals of all descriptions. The west was thus kept busy throughout the war, and there was an almost equally large demand for manufactured articles. While, however, an increase took place in the profits of farmers and manufacturers, and, incidentally, in the cost of living, the labourers and the workmen began to suffer. It is a well-known economic axiom, especially insisted on by the more advanced labour elements in this country, that wages always tend to subsistence level; though this, while generally true of labour in England, is not yet generally true of labour in America. The war, nevertheless, started a downward movement. Here, as always, when we speak of wages, we have to take the cost of living into consideration at the same time. It is calculated that, comparing 1860 with 1865, wages rose 80 per cent during the war; but prices rose in a greater proportion—about 120 per cent. The rise in prices was particularly noticeable in the cost of food and clothing, though rents were also considerably increased.

The more the European demand grew, the more enterprising capitalists sought to exploit the natural resources of the country. A mere list of the most important commercial movements will show how thoroughly this was done. Gold was found in California in 1858, and in Montana in 1861, and a rush of miners followed. Large syndicates also secured concessions to work the Nevada Silver Mines, for silver had been discovered here in 1859; and, in the

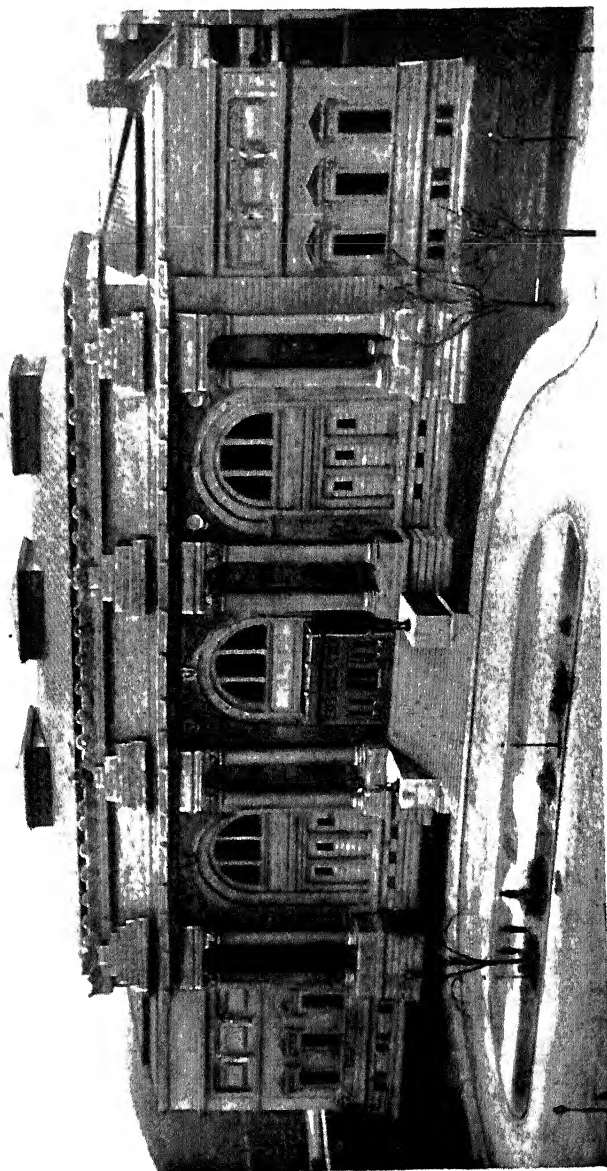
early 'sixties, prospectors began to realise that there were enormous stores of copper in the region of Lake Superior. Every mechanical contrivance of the time was brought to the assistance of those who were developing this vast natural wealth; and from this period we may date the characteristic American impulse to obtain the best possible results from machinery of every description, with the equally characteristic American habit of ruthlessly "scrapping" it if the same results could be obtained more quickly by some new invention. There was plenty of money; and the scrapping of old machinery and the installation of new always "paid" in the long run.

At the same time, the public school system was greatly developed, and universities, such as the University of Michigan, were established out of the public funds. From the very beginning equal provision was made for boys and girls, who, as they grew up into young men and women, found similar educational facilities awaiting them at the higher schools and universities. The illogical system by which English women are permitted to sit for and pass Oxford and Cambridge examinations, without receiving the advantage of a degree, would have been impossible in the United States even sixty years ago. Education never stopped half-way; and, abilities being presumed equal, neither birth nor age nor sex was held to be a disqualification.

The effects of one aspect of such a strict application of Democratic principles are easily seen in any section of American society; and Matthew Arnold was not the only critic to forecast its probable results. The whole-hearted enthusiasm with which every American

tries to "get on" leads to entire neglect of those finer shades of life and character that cannot be measured in terms of money. The influence of an aristocracy, for example, on manners and social observances does not exist—there are, in fact, no such standards of conduct and behaviour, except in a few districts of the south, where the old traditions linger; and the encouragement to "think for one's self," instead of respecting the sounder judgment of experienced men, results in a condition of philosophic and religious anarchy from which not even the Roman Catholics are wholly immune. Discipline and self-control are not innate in the people as they still are, for instance, among the aristocratic families of Europe; moderation is, generally speaking, despised. The hard physical labour of the pioneers, the loneliness of the prairie, the isolation of western and middle-western agricultural families, even to this day, and the steady continuous scramble for wealth, are not factors likely to develop the moral or spiritual qualities that appeal to the European.

In the undeveloped parts of America—and the United States was only at the beginning of its modern development after the war—the discipline that results in *σωφροσύνη* is difficult to acquire, but it is comparatively easy to make money. There is all the greater temptation for a man to neglect higher considerations when he knows that his neighbours, when he has any, will value him more for his wealth than for anything else he may possess. This statement is not popularly supposed to apply to Boston and the New England States generally, which are noted for a somewhat over-valued and highly artificial type of bogus culture; but even in Boston, I venture to



THE METROPOLITAN MUSEUM OF FINE ARTS, CENTRAL PARK, NEW YORK, WHICH CONTAINS ONE OF THE
FINEST COLLECTIONS OF PAINTINGS IN THE WORLD.

This view shows the east wing, erected a few years ago.

say, it has been my experience that cultured society, in the noble, old-fashioned English sense of the expression, is very small indeed. In other American towns, large and small, money is the passport which will admit one into any society. Indeed, it is only in a few of the eastern cities that there is any kind of cultured society worthy of consideration. There are, of course, innumerable clubs and associations which "cultivate" art and literature, but very few of them are distinguished by an artistic sense or discriminating taste. The Grolier Club, of New York, is a very honourable exception; but there are few institutions like it, and the materials out of which similar bodies might be formed are, it must be confessed, very scanty at the present time.

From the end of the war, too, we may date the lavish displays given by the more degraded sections of the American plutocracy—the strange dinner parties, the freakish balls, the ostentatious exhibition of wealth and vulgarity. Gold, silver, and copper mines, the development of petroleum fields, government contracts, and wide-spread speculation, had turned many a humble tradesman and many a small farmer into a millionaire. The two extremes of the social order were especially in evidence, according to contemporary observers, about 1865. Thousands of families had been rendered destitute by the long campaign, and it was some little time before the generous relief measures authorised by Congress could be put into operation. All the males in scores of families had been killed or had died of wounds and disease; and nearly every household in the north had to mourn the loss of some relative. Orphans were innumerable, and the dis-

organisation of the labour market that followed the disbandment of the soldiers rendered the poverty more acute.

Before we leave the period of the Civil War and consider subsequent developments, there is one matter of some interest which should be mentioned. A few months after hostilities broke out, Captain Charles Wilkes, of the American warship *San Jacinto*, boarded the English steamship *Trent* and forcibly took away James M. Mason and John Slidell, the Confederate commissioners to England and France respectively, who had embarked at Havana. Amid great demonstrations of joy, the two commissioners were landed at Boston and treated as prisoners of war. Wilkes received the thanks of Congress, and England was at the same time sharply criticised for recognising the southerners as belligerents. The British Government demanded satisfaction, and, by way of making sure of it, sent 30,000 troops to Halifax. Seward wished to take strong counter-action, but Lincoln reminded him and the other members of the Cabinet that the United States had fought Great Britain "for insisting by theory and practice on the right to do what Captain Wilkes has done." As this could not be denied, there was nothing for it but to disavow Wilkes and to release the prisoners. This was done, Mason and Slidell at once proceeding to England. The affair is not of much intrinsic importance; but the earlier action which the American Government was prepared to take forms an ironical enough commentary on the war of 1812-14.

Andrew Johnson took the oath of office on the day after the assassination of Lincoln. He differed from his predecessor in being less willing to show leniency

towards the southerners; and in this attitude he was at first supported by Congress, which had indicated its dislike of the conciliatory measures suggested by President Lincoln for dealing with the Confederate States. In spite of this similarity of views, Jackson's tenure of office was marked by a series of disputes with the House of Representatives and the Senate. The main feature of the quarrel was Jackson's desire to admit representatives from the southern states to their seats in Congress, seeing that the war had come to an end and that a proclamation issued by Lincoln about a year before had settled at least one great question by prohibiting slavery throughout the United States. Congress held that the rebel states ought to be kept under military government until they exhibited signs of repentance and loyalty to the Constitution; and, although permission was given for the reorganisation of the state governments, Congress for the time being refused to proceed further.

The differences of opinion between the President and Congress became manifest first of all over the Freedmen's Bureau. The first Freedmen's Bureau Bill established an office for a year to assist the liberated slaves in finding employment. The second Freedmen's Bureau Bill extended the period of one year for a further term, and, incidentally, made it a penal offence for any one to interfere with the "civil rights and immunities" of freedmen. This Bill was passed by the Senate on February 6th, 1866, and vetoed by the President ten days later on the ground that it violated constitutional guarantees. As there were many Republicans who did not wish to quarrel openly with the President, the Bill was suspended

and an attempt to repass it failed. A third Freedmen's Bill, with some modifications, was passed early in July, and vetoed by the President on July 16th. This time Congress was in an angry mood, and passed the Bill again on the same day as it was returned to the Senate with the President's veto. In March of the same year Congress had passed the first Civil Rights Bill, also designed to protect the negroes. The President vetoed this Bill, and it was passed in April over the Presidential veto. According to the Constitution any Bill vetoed by the President becomes law if repassed by a two-thirds majority in both Houses.

The friends of the President, both Republican and Democratic, summoned a convention, at which the President, unfortunately, instead of behaving with a tact that might have brought the disputes to an end, took the opportunity of making several bitter speeches about Congress. Hard upon this meeting came the autumn elections of 1866, and the Republican majority was large enough for the holders of office to check the President's power if they chose. Congress soon made it clear that it had two tasks: one was to curb the powers of the President, and the other was to find some means of forcing the southern states to accept the fourteenth amendment to the Constitution. How this amendment affected the privileges of the former slave states may easily be judged from its five short clauses:

(1) All persons born or naturalised in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge

the privileges or immunities of citizens of the United States ; nor shall any state deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

(2) Representatives shall be apportioned among the several states according to their respective numbers, counting the whole number of persons in each state, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in Congress, the executive and judicial officers of a state, or the members of the legislature thereof, is denied to any of the male members of such state, being of twenty-one years of age and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such state.

(3) No person shall be a senator or representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any state, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any state legislature, or as an executive or judicial officer of any state, to support the Constitution of the United States, shall have engaged in insurrection or rebelling against the same, or given aid and comfort to the enemies thereof. But Congress may, by a vote of two-thirds of each House, remove such disability.

(4) The validity of the public debt of the United States, authorised by law, including debts incurred for payment of pensions and bounties for service in suppressing insurrection and rebelling, shall not be questioned. But

neither the United States nor any state shall assume or pay any debt or obligation incurred in aid of insurrection or rebelling against the United States, or any claim for the loss or emancipation of any slave ; but all such debts, obligations, and claims shall be held illegal and void.

(5) The Congress shall have power to enforce by appropriate legislation the provisions of this Article.

Tennessee had been "re-organised" at an early stage in the war, as the whole state was occupied by Federal troops so early as 1862. The dissenting southern states were now, therefore, ten instead of eleven ; but to the last they clung tenaciously to such rights as they believed they could justly claim under the Constitution. In order to prevent the President from assisting them in any way—for he had now begun to favour Lincoln's attitude of conciliation—the important Tenure of Office Act was passed over the President's veto, in March 1867. This Act made the executive power of appointment to and from office conditional on the assent of the Senate. Having admitted Nebraska to the Union on March 1st, 1867, in spite of President Johnson's objections—Nevada had been admitted in October 1864—Congress further disregarded the veto by establishing universal suffrage in the district of Columbia. It then proceeded to consider its great Reconstruction Act, which was passed on March 2nd, 1867, the same day as it was returned to the Houses vetoed by the President. This Act grouped the ten southern states into five military districts, and placed each district under the command of an army officer "with a sufficient military force to enable such officer to enforce his authority." These officers were

empowered to summon state conventions, which were to draw up a constitution ; and if, first, these constitutions were reported upon favourably by Congress, and if, secondly, the state concerned accepted the fourteenth amendment, then the state would be re-admitted to the Union.

The effect of this Act—against the passing of which the President warned Congress, in a grave message—was disastrous as far as the best classes of whites were concerned. Unscrupulous adventurers from the north went among the liberated negroes, and the result was, as Dr. Woodrow Wilson puts it in his "Division and Re-union," "An extraordinary carnival of public crime set in under the forms of law. Negro majorities gained complete control of the state governments, or, rather, negroes constituted the legislative majorities and submitted to the unrestrained authority of small and masterful groups of white men whom the instinct of plunder had drawn from the north. Taxes were multiplied, whose proceeds went for the most part into the pockets of those fellows and their confederates among the negroes. Enormous masses of debt were piled up by processes both legal and fraudulent, and most of the money borrowed reached the same destination." It is true that the white population recovered its authority when the reconstruction was completed ; but the bitterness of feeling which measures like these engendered subsists to this day. This does not necessarily mean that the United States is not an entity where foreign affairs were concerned, for even in the midst of the war the south was as staunch an upholder of the Monroe Doctrine as the north.

While this process of reconstruction was proceed-

ing, the fifteenth amendment to the Constitution was passed and ratified at different times, as the various states were admitted. This amendment ordered that "the right of the citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, colour, or previous condition of servitude." The amendment, it will be recollected, was passed at a time when the negro question alone was being considered: there was no Asiatic question in 1869.

Jackson's forcible removal of Edwin M. Stanton, the Secretary for War, in February 1868, led to the formal impeachment of the President by the Senate. The proceedings fell through, and Jackson was acquitted in May, but by a narrow majority. A few months later the elections were held, and, of course, the President in office was not chosen by either party.

There were a few events in this turbulent Administration having a direct bearing on foreign politics. On October 31st, 1861, England, France, and Spain signed a convention in London by which they agreed to send an expedition against Mexico "to demand from the Mexican authorities more efficient protection for their subjects as well as fulfilment of the obligations contracted towards Their Majesties by the Republic of Mexico." Napoleon III, thinking that the Federal Government of the United States would lose in the end, and that the Confederates might possibly become the allies of France, succeeded in placing the Archduke Maximilian, brother of the Emperor of Austria, on the throne of Mexico, and establishing a monarchy there which was not destined to last. At the conclusion of the war, a peremptory demand was made by Washington that the French

soldiers should leave Mexico ; and they did so in March 1867. Maximilian, having endeavoured to raise an army of his own, was overpowered and shot in June. These proceedings were regarded in the United States as a triumph for the Monroe Doctrine.

As the French were withdrawing from Mexico, the United States was just entering into negotiations with Russia on the subject of Alaska. This vast territory—it is larger than Great Britain, France, and Spain combined—was first occupied by the Russians in 1741, and passed under the control of the Russo-American Company in 1799. The United States appears to have been attracted by the mineral deposits, not to speak of the strategic necessity of restricting Russia to the limits of Eastern Asia, and, by June, had come to a satisfactory arrangement for the transfer of Alaska in return for a gold payment of \$7,200,000. American statesmen of the time were by no means unanimously agreed as to the advisability of this transaction. Disputes over boundary questions gave some trouble ; and Anglo-American commissions sat in 1898 and 1903 for the purpose of considering them.

An entirely novel form of annoyance was caused by the Fenians in America in the late sixties ; for by this time thousands of Irishmen had settled in the United States, and had secured a good deal of control over the political system of the country. They brought with them a bitter dislike of England, and a determination to do what they could for their homeland, though it is hard to see what the more extreme organisations among them expected to gain by despatching an " expedition," about nine hundred strong, from Buffalo to Fort Erie, under Colonel

O'Neil, on May 31st, 1866. The object of this incursion, it was said, was the destruction of the Welland Canal; and another band of brigands crossed the border from Vermont with the object of marching on Ottawa. Both "expeditions" were easily driven back by the Canadian authorities; but renewed incursions took place in the succeeding years, and, as they were not checked from the United States side, owing to the Irish influence in politics, much annoyance was caused in Canada.

CHAPTER VIII

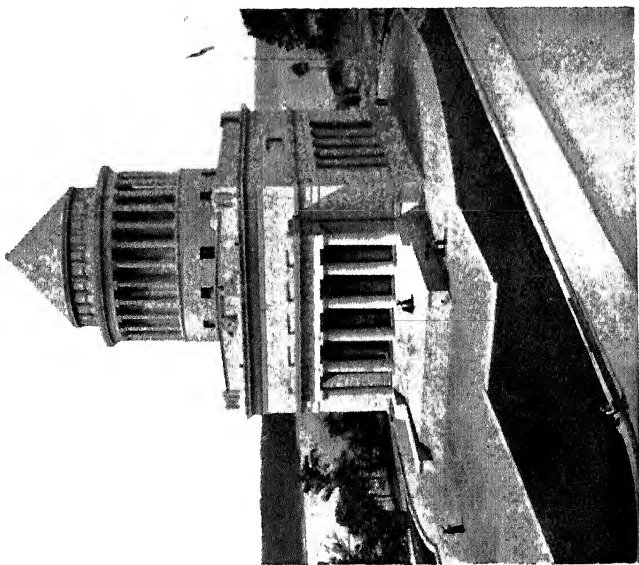
General Grant—The silver question—Behring Sea controversy—
Venezuelan boundary dispute—The Monroe Doctrine as it was
and is—Labour agitation—War with Spain.

GENERAL GRANT succeeded Jackson on March 4th, 1869, and was re-elected for a second term in 1872. His chief difficulties were with the south; for the white planters, being more accustomed to the negroes than the northerners who had so rashly accorded them the franchise, had determined that wherever possible the black man should be prevented from voting. Numbers of secret societies were formed, and the public soon became familiar with the names of the Pale-Faces, the Knights of the White Camelia, and, above all, the Ku-Klux-Klan. Most of the secret societies were merged into the last-named, and it became common for bands of men to roam the country at night, breaking into the cabins of negroes, threatening them, and warning them of the vengeance they would bring down upon themselves if they complained. Congress endeavoured to combat these outrages by the Force Act, which, however, was so strict as to offend popular feeling. The rioting in the large towns had often to be put down by the soldiers; and it was found necessary at one time to suspend the privilege of habeas corpus in South Carolina.

Later, in Grant's second term of office, the public

settled down with a somewhat calmer mind to the discussion of financial scandals ; but in the midst of them the financial panic of 1873 once more drew attention to the American currency system. There had been a previous scare, in September 1869, when speculation in gold reached such limits that the Government deemed it necessary to intervene. A group of New York speculators, including Mr. Jay Gould, the President of the Erie Railway, wished to corner the gold market ; and they actually succeeded in forcing the price up to 184. At this stage the Government announced its intention of throwing on the market for immediate sale all the gold in the United States Treasury. The price at once fell, and the speculators with it, and September 24th, 1869, became known as Black Friday.

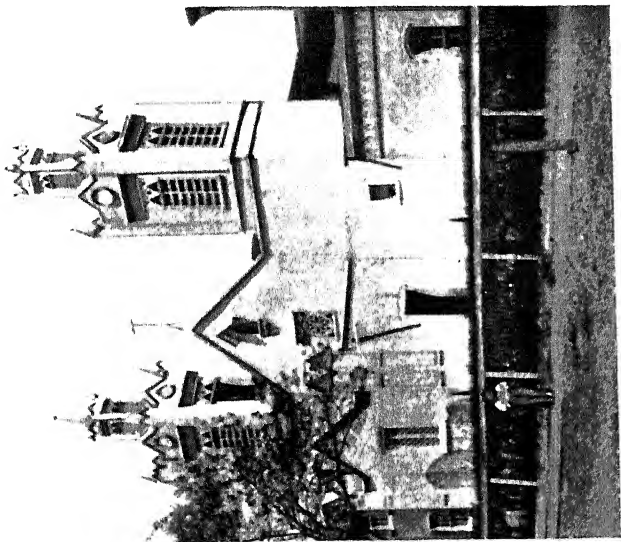
The other panic, connected with the demonetisation of silver, had really very little to do with the dropping out of the silver dollar of $412\frac{1}{2}$ grains from the list of silver coins. There had been the usual period of inflation, and the opportunity was taken to fasten the consequence of ten years' reckless speculation in the west upon an act which had nothing to do with the financial disaster that inevitably followed. The "wealth" of the country at the time consisted largely of paper—the bonds of railways which could not be expected to pay for years ; and the equally worthless stock of manufacturing and mining concerns. As had happened before, the circulation of depreciated paper money led to the contraction of debts by cities and states, as well as by private individuals. The crash came on September 18th, 1873, when Jay Cooke, the agent of the United States Government, who held £800,000



GRANT'S TOMB, CLAREMONT HEIGHTS, NEW YORK.

This monument, one of the largest in the world, is 150 feet high, and covers an area of 10,000 square feet. It cost £120,000, which was raised by voluntary subscriptions from over 90,000 people.

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CHURCH OF SAN FELIPE, OLD ALBUQUERQUE,
NEW MEXICO.

on deposit from various parts of the country, suspended payment. Various banks and private concerns followed, and, on the 20th, the New York Stock Exchange had to close its doors. As before, money did not flow freely into the necessitous areas; but the United States was advancing so rapidly in material prosperity that even the effects of the panic of 1873 were soon forgotten.

After a prolonged dispute about the number of votes cast, the Governor of Ohio, Rutherford B. Hayes, the Republican candidate, was declared the duly elected President after Grant, and he assumed office on March 4th, 1877. His Administration is chiefly remarkable for the Bland Silver Law, which was passed over his veto in 1878. This Act authorised the Government to purchase every month from £400,000 to £800,000 worth of silver bullion for coinage. The silver dollar thus became legal tender again; but the disparity of value between it and the gold dollar appears to have been in the ratio of 16 to 1. No traveller in the United States can have failed to remark the great scarcity of gold in circulation, and the corresponding prevalence of clumsy silver dollars and greasy greenbacks. By a resolution passed at the same time, Congress authorised payment of bonds in silver; and it was not until 1879 that the Secretary of the Treasury, Sherman, induced the Government to pass a law calling for the resumption of specie payment, which had been suspended so far back as 1862.

Until the Venezuela question became acute, in 1895, the history of the United States is dull and barren—at any rate from an international point of view. The year 1877 saw the first outbreak of labour

troubles on a large scale. The railway-men on the Ohio, Pennsylvania, Erie, and New York Central lines ceased work; and troops had to be called out to quell the rioting which followed. The increase in the number and intensity of labour disputes from this date is generally ascribed to the influx of undesirable emigrants from Europe, although there are a few American authorities on this period who admit that the greed of capitalists and the spread of the trust system had a great deal to do with them. The general condition of labour in the United States is dealt with in a later chapter.

James A. Garfield, another Republican, replaced Hayes in 1881, and was shot by a disappointed office-seeker on July 2nd of the same year. Vice-President Chester A. Arthur took over the duties of President, and helped to secure the passage of a Bill providing for the partial reform of the Civil Service. Henceforth most of the Government appointments were filled by competitive examination, instead of nomination by the party which had been successful at the polls. Care was taken to see that a sufficient number of positions remained open, however, to make it worth while for a budding politician to assist one or other of the great political parties.

Mr. Grover Cleveland, Governor of New York, a Democrat, was chosen as President in the election of 1884, and his first term lasted from 1885 to 1889. His party, in 1888, made its first effort to lower the high tariff duties; but it was thwarted in the Senate. In 1887 an attempt was made to control the trusts by the Interstate Commerce Act, which dealt almost entirely with the railway rates and aimed at the prevention of the "pooling" by

competing lines. The Act was enforced by the Interstate Commission, a body which is still a living force in the Executive. His attitude on the tariff question cost Cleveland the next election, for in 1888 Benjamin Harrison was chosen to replace him. Harrison was the Republican nominee, and once his party came into power it devoted its efforts to a revision of the tariff; but not, generally speaking, to a revision "downwards." A committee sat, under the chairmanship of William McKinley, of Ohio, who became President later on, and the Tariff Bill which goes by his name became law on October 1st, 1890.

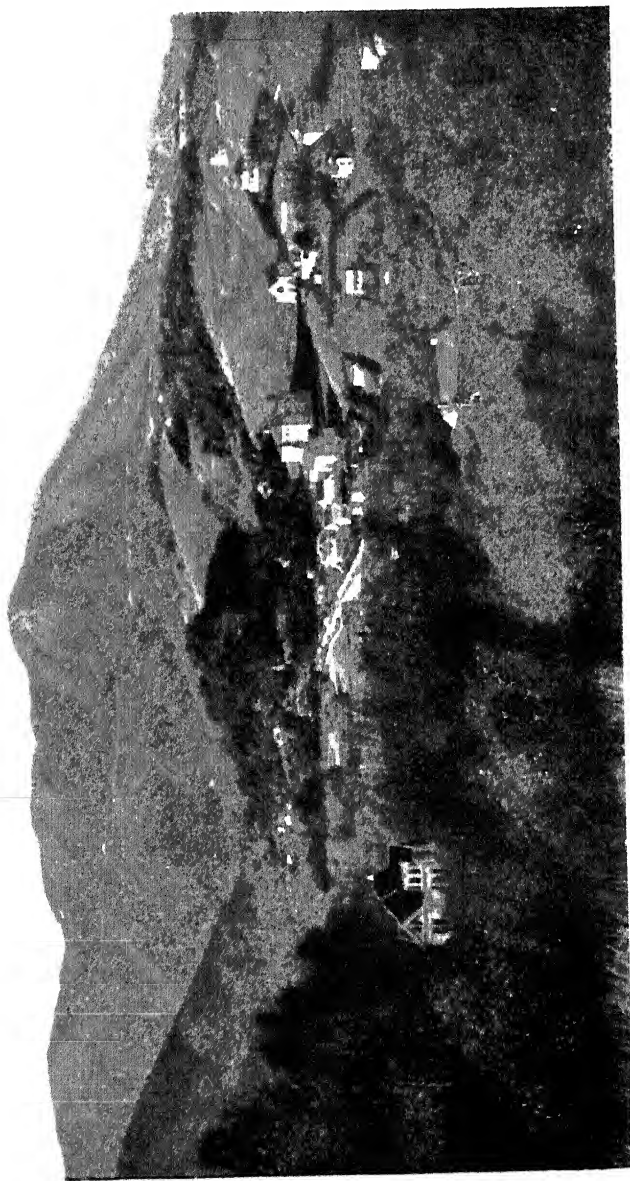
The long-standing Behring Sea dispute was settled while the Harrison Administration was in power. The United States had always held that at the time of the Alaska purchase she acquired from Russia exclusive rights in the Behring Sea, particularly with regard to seal fishing. This claim was not admitted by the British Government, acting in behalf of the Canadians, and by an agreement of February 1892 the question was submitted to arbitration. Two delegates represented the United States and two Great Britain, while the French, Italian, and Swedish Governments each appointed a representative. The commission met in Paris, and decided in March 1893 that the United States had no rights outside the ordinary three-mile limit.

The first step towards keeping out Asiatics was also taken at this time, the Geary law, "prohibiting the coming of Chinese persons into the United States," being passed in 1892. In this Administration, too, American influence was, for the first time, extended across the Pacific, by an arrangement entered into with Germany and Great Britain respecting the

Samoa Islands. This agreement followed some disturbances in Samoa, in the course of which it was alleged that German marines had been attacked by natives under the leadership of an American named Klein. Seven new states were admitted to the Union: North Dakota and South Dakota on November 3rd; Montana on November 8th, and Washington on November 11th, 1889; Idaho on July 3rd and Wyoming on July 10th, 1890.

The election of Harrison gave rise to a somewhat painful incident with Great Britain. Some man in California, falsely representing himself to be a naturalised American of English origin, wrote to the British Ambassador, Lord Sackville, to inquire how it would be advisable to vote. The writer referred to President Cleveland's advocacy of Free Trade, which would benefit the "mother country"; and asked Lord Sackville to express an opinion as to whether the President sincerely meant what he said about the fisheries question. Lord Sackville, in his reply, marked "Private," said, "You are probably aware that any political party which openly favoured the mother country at the present moment would lose popularity, and that the party in power is fully aware of this fact. The party, however, is, I believe, still desirous of maintaining friendly relations with Great Britain. . . . All allowances must, therefore, be made for the political situation as regards the Presidential situation thus created."

All this had been a trap laid by the Republican committee in New York; and the Ambassador's letter, in spite of its being marked "Private," was at once published all over the United States. The Government professed to regard it as an unwarrant-



MOUNT TAMALPAIS.

One of the highest peaks in California commands a splendid view of San Francisco Bay and the Peninsula. It is 2,650 feet high and can be reached by a mountain railway to within a short distance of the summit.

able interference in political affairs—chiefly, we must suppose, because it imperilled the Irish vote at the approaching election; and, while the matter was under discussion, the Secretary of State handed the Ambassador his passports. Lord Salisbury thereupon allowed the post to remain vacant until the new Administration assumed office, saying in a public speech that the whole affair belonged to the history of electioneering rather than to the history of diplomacy.

The end of the Harrison Administration saw a new attempt on the part of America, which was later on to prove entirely successful, to establish herself more strongly in the Pacific. Early in 1893 the inhabitants of Hawaii rose in revolt against Queen Liliuokalani; and the Provisional Republican Government which was established was recognised by the American minister, Mr. Stevens, who did not take the trouble to consult his Government on the matter. The islanders sent a commission to Washington to ask for the incorporation of their territory in the United States; and on February 16th, 1893, President Harrison sent an annexation treaty to the Senate for approval. While this treaty was being considered, the United States minister at Honolulu, also acting without instructions, declared a protectorate over the island on February 9th.

The Senate had not concluded its examination of the treaty by March 4th, when Grover Cleveland assumed office for the second time. The new President, not being quite satisfied with the procedure at Hawaii, withdrew the treaty from the Senate until his special commissioner, Mr. Blount, could report on the circumstances which had led to the changes

of government in Hawaii. The commissioner gave it as his opinion that if American marines had not been landed the revolution would have failed, and that the Queen's abdication was due to her fear of the Americans. This report, when made known in the United States, aroused considerable sympathy for the Queen, but as she was able to come to an agreement with the American authorities on the administration of the island, the Provisional Government was allowed to remain, and a Republican constitution was promulgated in July 1894. Hawaii, however, was not formally annexed to the United States until McKinley came into office; and even then only the threatened war with Spain, and the repeated emphasis laid on the necessity for strategic bases in the Pacific, induced the public to stop its agitation against the taking over of this distant territory. The formal decree of annexation was promulgated on July 7th, 1898.

This little international incident, which was not one of very great consequence, merely prepared the way for another, the direct effects of which will be felt for many a long day. The question of the Venezuelan boundary was in itself a trifling matter. As far back as the seventeenth century, Spain and Holland had been unable to agree upon the boundary-lines of the Dutch and Spanish settlements in Guiana. In 1844 Lord Aberdeen proposed a boundary-line which Venezuela rejected; and when, in 1876, after a long period of internal unrest, Venezuela finally agreed to accept the Aberdeen line, Lord Granville suggested a line farther west. Venezuela resented what she regarded as an increased demand, and after much further tedious negotiation he appealed,

in 1895, to the United States and the Monroe Doctrine. The result of this was that Mr. Olney, the American Secretary of State, asked the British Government to submit the question to arbitration. Lord Salisbury declined, questioning in one of his notes the authority of the Monroe Doctrine and emphasising in the other Venezuela's lack of a staple government and entering into the detailed points of the dispute.

Decisive American action at once followed. Lord Salisbury's answer was received in December 1895, and President Cleveland laid the correspondence before Congress, recommending the appointment of a commission to investigate the case. If, he added, it was found that the land in dispute belonged to Venezuela, then it would be the duty of the United States "to resist by every means in its power, as wilful aggression upon its rights and interests, the appropriation by Great Britain of any lands, or the exercise of governmental jurisdiction over any territory which, after investigation, we have determined of right belongs to Venezuela." This was naturally interpreted by the country as meaning a possible war with Great Britain; and the popular enthusiasm was clamorous in its appreciation of the President's attitude. It is not generally recognised that the modern inhabitants of the United States are by far the most jingoistic people in the world, and much more susceptible to "glory" than even the Latin races. The two Governments, after a good deal of correspondence, arrived at an understanding; and on February 2nd, 1897, a treaty was signed at Washington providing for arbitration. Five jurists were selected, two by Great Britain, two by Venezuela, and a fifth by the four thus appointed. This tri-

bunal met at Paris in June, 1899, and in October came to its decision, which was in the main favourable to England.

Though the Venezuelan boundary was the nominal question at issue on this occasion, what really loomed ominously in the background was the Monroe Doctrine and the interpretations put upon it. The origin of this famous phrase—for, technically speaking, it is no more than a phrase, since the “doctrine” has never been directly affirmed either by the House of Representatives or by the Senate—is easy to trace. In 1816, chiefly as a result of the efforts of Metternich, the so-called Holy Alliance was formed by Russia, Austria, and Prussia; and its object from the first was to resist all attempts by the masses to secure constitutional rights, so that the principles of hereditary monarchy might be upheld and strengthened.

The alliance was joined later by France, and, in a very short time, had become a powerful diplomatic instrument on the continent of Europe. It reserved to itself the right to interfere, by force if necessary, in every dispute where the rights of monarchy appeared to be threatened. It interfered in Spain, for example, when the Civil War was raging in 1823; it strove to prevent the Greeks from making headway when they rose in revolt against the Turks in 1821. Its attempt to interfere in South America with the object of preventing the South American republics from getting rid of Spanish sovereignty was the signal for a protest in England as well as in the United States. In a circular which the Holy Alliance Powers issued towards the end of 1820, they alleged the existence of “a vast conspiracy against all established power and against all the rights accredited by that

social order under which Europe had enjoyed so many centuries of glory and happiness." They added that "they regarded as disavowed by the principles which constitute the public right of Europe all pretended reform operated by revolt and open hostility."

Lord Castlereagh replied to this communication in a despatch, which has often been quoted, in the course of which he remarked that the principles referred to "were adapted to give the great Powers of the European continent a perpetual pretext for interfering in the internal concerns of its different states . . . though no government could be more prepared than the British Government was to uphold the right of any state or states to interfere, where their own immediate security or essential interests were seriously endangered by the internal transactions of another state, it regarded the assumption of such a right as only to be justified by the strongest necessity and to be limited and regulated thereby. . . . The British Government regarded its exercise as an exception to general principles of the greatest value and importance and as one that only properly grows out of the special circumstances of the case; but it at the same time considered that exceptions of this description never can, without the utmost danger, be so far reduced to rule as to be incorporated into . . . the Institutes of the Law of Nations." This reply has remained typical of the British attitude.

It was not until 1823 that the Holy Alliance Powers seriously considered the advisability of holding a congress to consider South American affairs, the object being to help Spain. Canning, who was then acting as British Foreign Minister, suggested to Mr. Richard Rush, the American minister in London,

that "any attempt by Europe to decide the fate of states so nearly connected with the United States by community of geographical and political interest as the South American States ought to be most jealously watched." This suggestion, duly conveyed to Washington, led to the establishment of what was now known as the Monroe Doctrine. This doctrine was laid down in a message to Congress, and never received any formal official sanction. Monroe did not directly refer to the Holy Alliance in connection with the friction between Spain and her colonies; but he mentioned the negotiations which the United States had just entered into with Russia for the purpose of defining the rights of the two countries "on the north-west coast of this continent." He then added:

In the discussions to which this interest has given rise, and in the arrangements by which they may terminate, the occasion has been judged proper for asserting as a principle in which the rights and interests of the United States are involved that the American continents, by the free and independent condition which they have assumed and maintained, are henceforth not to be considered as subjects for future colonisation by any European Power. . . . It was stated at the commencement of the last session that a great effort was then making in Spain and Portugal to improve the condition of the people of these countries, and that it appeared to be conducted with extraordinary moderation. It need scarcely be remarked that the result has been so far very different from what was then anticipated. Of events in that quarter of the globe, with which we have so much intercourse and from which we derive our origin, we have always been anxious and interested spectators. The citizens of the United

States cherish sentiments the most friendly in favour of the liberty and happiness of their fellow-men on that side of the Atlantic. In the wars of the European Powers in matters relating to themselves we have never taken any part, nor does it comport with our policy so to do. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defence. With the movements in this hemisphere we are of necessity more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied Powers is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective governments; and to the defence of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted. We owe it, therefore, to candour and to the amicable relations existing between the United States and those Powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European Power we have not interfered and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European Power in any other light than as the manifestation of an unfriendly disposition towards the United States. In the war between those new governments and Spain, we declared our neutrality at the time of their recognition, and to this we have adhered, and shall

continue to adhere, provided no change shall occur which, in the judgment of the competent authorities of this Government, shall make a corresponding change on the part of the United States indispensable to their security.

The late events in Spain and Portugal show that Europe is still unsettled. Of this important fact no stronger proof can be adduced than that the allied Powers should have thought it proper, on any principle satisfactory to themselves, to have interposed by force in the internal concerns of Spain. To what extent such interposition may be carried, on the same principle, is a question in which all independent Powers whose governments differ from theirs are interested, even those most remote, and surely none more so than the United States. Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, not to interfere in the internal concerns of any of its Powers ; to consider the Government *de facto* as the legitimate Government for us ; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every Power, submitting to injuries from none. But in regard to those continents circumstances are eminently and conspicuously different. It is impossible that the allied Powers should extend their political system to any portion of either continent without endangering our peace and happiness ; nor can any one believe that our southern brethren, if left to themselves, would adopt it of their own accord. It is equally impossible, therefore, that we should behold such interposition in any form with indifference. If we look to the comparative strength and resources of Spain and those new governments, and their distance from each other, it must be obvious that she can never subdue them. It is still

the true policy of the United States to leave the parties to themselves, in the hope that other Powers will pursue the same course.

Two definite principles were laid down in this message. The first, in connection with the Russian attempt to secure a stronger foothold on the American continent, was the principle of non-colonisation; the second, due to the Holy Alliance, was the principle of non-intervention. So expressed, the principles were simple enough; but they were never, even at this early stage, admitted by any European Power. On the contrary, Canning definitely refused to countenance the non-colonisation principle; and Great Britain made it quite clear, in 1824, that she still regarded herself as fully entitled to let her colonists settle in any unoccupied parts of the American continent, such settlements to be regarded as British territory.

From that time until the question of the Venezuelan boundary was raised in its acute form, in 1895, very few European statesmen appear to have given a thought to the Monroe Doctrine. In fact, when President Polk, in 1845, announced that the United States would not permit any European intervention on the North American continent, as well as in 1867, when the French were ordered out of Mexico, the phrase Monroe Doctrine was not used officially at all. In 1870 the doctrine was extended by President Grant to include not merely North America, but strategic islands off the coast, for a dispute had arisen over Santo Domingo; and, indeed, his message might be construed as applying the Monroe Doctrine to the whole of the western continent. It was on this

occasion that Grant made use of the wild expression, "I hope that the time is not far distant when, in the natural course of events, any European connection with this continent will cease."

As even American writers on international law have observed, none of the statesmen who laid such stress on the Monroe Doctrine could distinguish or attempt to distinguish between what was law and what was policy. The Monroe Doctrine was laid down as America's policy in certain circumstances; but it was never admitted as international law. President Cleveland, in his message of December 17th, 1895, said, "It may not have been admitted in so many words to the code of international law, but since in international counsels a nation is entitled to the rights belonging to it, if the enforcement of the Monroe Doctrine is something we may justly claim, it has its place in the code of international law as certainly and surely as if it were specifically mentioned; and where the United States is a suitor before the high tribunal that administers international law, the question to be determined is whether or not we present claims which the justice of that code finds to be valid."

A more specious and unpardonable argument has seldom been used by a responsible man in the discussion of a legal question. R. H. Dana, one of the foremost American writers on international law, specifically says in his edition of "Wheaton's International Law," "The declarations are only the opinions of the Administration of 1823, and have acquired no legal form or sanction." Cleveland's rhetoric was calmly considered by Professor T. S. Woolsey, who demolished it by saying, "There is no

high tribunal and no code of international law except in a metaphorical sense. If the passage means anything—which is uncertain—it means that the Monroe Doctrine is a part of the body of international law because it is in harmony with the ideas of justice. This is an error. The rules of international law are founded upon the principle of natural justice, but everything consonant with the ideas of justice is not a rule of international law.”

It is clear, too, that the statement that a nation “is entitled to the rights belonging to it” is also, in the present state of international morality, little short of ridiculous. Every state has the right to defend itself if it can; but it has no authority for accepting assistance from others merely because it may choose to appeal to international law or the principles of justice. If this statement is absurd, it is still more absurd that the United States should seek a basis for it by appealing to the Monroe Doctrine, which, according to the acknowledgment of American jurists themselves, is not law at all, but merely the expression of an out-of-date opinion.

A survey of the United States dealings with the South American republics during the period of so-called “aggressive diplomacy” from the early eighties onwards, shows that when American ministers speak of avoiding foreign entanglements and alliances they refer to Europe rather than to their own continent; and their attitude is often of such a kind that European “entanglements,” as they call them, may easily arise. In 1885 General Barrundia, when exiled from Guatemala, took refuge on a United States merchant vessel; and the captain of the steamer declined to surrender him to the Guate-

mala police. The legal aspect of this case is referred to by Professor Bingham, who points out in his valuable little book; "The Monroe Doctrine: an Obsolete Shibboleth," that the American minister and the captain of an American man-of-war were brought into the discussion which followed; but they decided that, according to the rules of international law, "the United States could not object to the exercise of local police jurisdiction over a merchantman while she was lying in the waters of another country." General Barrundia was killed in an attempt to arrest him; and, although the American minister and the naval officer concerned had acted in strict accordance with their international obligations, the minister was recalled and the officer was removed from his command.

The American authorities in this instance, by implicitly denying to Guatemala the rights of an independent state, acted towards her as they did in 1891 towards Chile, when they denied her the right to purchase arms on the Pacific Coast. As was made clear when the proceedings were taken in connection with the Alabama case, it had always been considered as legal for merchants to sell arms to any country, whether the country was at peace or war. Similarly, in 1893, the United States interfered in the civil war between two political parties in Brazil, and, by preventing the fleet from operating, virtually took the side of the party which was relying on the land forces for success. All these incidents were of little consequence of themselves, except as indicating the attitude of the United States towards the South American republics; but they made it appear all the more natural that the United States should inter-

fere when the question of the Venezuelan boundary was raised. It was not until 1895 that the Monroe Doctrine was questioned; and even then, as the dispute was settled by arbitration, Lord Salisbury's opinion was never submitted to the final test of armed force.

Where South America is concerned, then, the United States has always appeared in two guises: first, as the strict parent, determined to stand no nonsense among his fractious children; and, secondly, as the chivalrous Don Quixote, prompt to rescue the various South American Dulcineas from the embraces of European Powers. It may seem ungrateful that the Dulcineas should resent the interference of their self-constituted cavalier; but the fact remains that they do. When the Americans went to war with Spain over Cuba, for example, all the South American republics, despite the fact that most of them had felt themselves obliged to shake off the rule of Spain by armed force, sympathised with the Spanish Government and were profoundly disturbed by the American success. Which of us next? seemed to be the general question, when an American protectorate, or what amounted to one, was established over the unfortunate island.

The change from the spirit of the Monroe Doctrine was in this case very evident. The original statement ran, "With the existing colonies or dependencies of any European Power we have not interfered, and shall not interfere." After the Cuban war, the United States took it upon herself not merely to interfere, but to settle the fate of all Spain's colonies and dependencies. Cuba was nominally turned into a free republic; and the Philippines, Porto Rico,

and Guam became American possessions. This was the second stage in the enlargement of the Monroe Doctrine: the third stage was to become particularly evident when the series of revolutions in Mexico took place in 1912-13.

In 1894 the House of Representatives passed the Wilson Tariff Bill, which was of little interest except as showing the influence possessed by certain groups of financiers, who, by means of "lobbying" (*i.e.* addressing members of the legislative body in the lobbies of the House of Representatives or the Senate, and endeavouring to influence their votes by bribery) succeeded in getting wool placed on the free list. In the following year, in addition to the Venezuelan controversy, both Houses had to give their attention to the financial unrest, due largely to the continuance of the reckless speculation which had always characterised the development of American industries, and to the absence of a real gold currency basis. Owing to the strength of the silver interests, the Government was again forced to make a new issue of bonds for the purpose of replenishing its gold reserves.

Both in 1894 and 1895 labour agitation was widespread, and a new feature of it was the "march" of unemployed "armies" from the disaffected areas to the capital. "Armies" were soon on the "march" from the Pacific States, from Texas, from Ohio, and from Massachusetts; and in some cases the state militia had to be called out. The history of American labour disputes proves that the governing classes—*i.e.* the great financiers and their legal and political representatives—have never hesitated to order the calling out of the state militia to shoot down strikers

when demonstrations were attempted on a large scale. The Government itself has never shown any sympathy with strikers, no matter what their conditions might be, or whether their complaints were justified or not. When the mail service, for example, was interrupted by the strike of 4,000 Pullman car operatives, at Pullman, near Chicago, President Cleveland ordered the strike leaders to be indicted and placed under arrest, after which he made known his intention of protecting the mails and keeping interstate commerce open—his intention, in other words, of breaking the strike. He followed up a proclamation to this effect by calling out several regiments of troops and despatching them to the strike districts.

Utah was admitted as a state in January, 1896, after the citizens had adopted a constitution prohibiting polygamy; and in November of the same year William McKinley, the Republican candidate, defeated Mr. William Jennings Bryan, and was chosen as President. His Administration was noted for the passing of the Dingley Tariff Act (July 1897), which restored the duties on wool and added to the duties on other articles; and for the Spanish-American war. The cause of the war may be seen in a single sentence of President Cleveland's message to Congress, in December 1896: "The spectacle of the utter ruin of an adjoining country, by nature one of the most fertile and charming on the globe, would engage the serious attention of the Government and people of the United States in any circumstances. In point of fact, they have a concern with it which is by no means of a wholly sentimental or philanthropic character. Our actual pecuniary interest in it is

second only to that of the people and Government of Spain."

In brief, the American financial interests, which had already secured large concessions in Cuba, scented opportunities for further exploitation and more profits, and every advantage was taken of the disturbed condition of the island to emphasise the necessity for intervention. General Weyler, the Spanish Governor or "Captain-General" of the island, employed drastic means of dealing with the insurrectionists, for his policy of "concentration" meant that they had either to surrender or starve. The distress produced by this policy on the "reconcentrados" was "written up" for the benefit of American newspaper readers, so that in the summer of 1897 the President felt justified in appealing to Spain to "restore order." The Sagasta Government gave a friendly reply, General Blanco succeeded General Weyler, and, in his message to Congress of December 6th, 1897, President McKinley expressed the belief that the time had not yet come for American intervention.

The next development rendered war inevitable. On February 14th, 1898, the United States battleship *Maine*, while paying a visit to Havana, was totally destroyed by an explosion which killed nearly everybody on board. Both the United States and the Spanish Government appointed a naval court of inquiry. The judgment of the former was that "the loss of the *Maine* was not in any respect due to the fault or negligence on the part of any of the officers or members of her crew; that the ship was destroyed by the explosion of a submarine mine, which caused the partial explosion of two or more

of her forward magazines." The Spanish court of inquiry held that the explosion was due to causes within the ship itself—a verdict which a subsequent and calmer examination would appear to have confirmed. In view of the disagreement, however, the Spanish Government proposed that the matter should be referred for further inquiry to a committee of persons chosen by various nations, a course to which the United States would not consent.

On April 11th President McKinley addressed a special message to Congress, in which, after referring to the unsatisfactory outcome of the negotiations with Spain, he urged that "in the name of humanity, in the name of civilisation, in behalf of the endangered American interests which gives us the right and duty to speak and act, the war in Cuba must stop." He concluded by asking for power and authorisation to take means of "terminating the hostilities" and to restore order. On April 18th the two Houses passed a resolution declaring that "the people of the island of Cuba are and of right ought to be free and independent." The resolution further stated that Spain should at once withdraw from the island; and it directed and empowered the President to use the American army and navy to carry out this suggestion.

When this resolution was communicated to the Spanish minister at Washington, he immediately asked for his passports, and a Presidential message of April 25th announced that war existed as from April 21st. Admiral William T. Sampson and Commodore W. S. Schley at once blockaded the Cuban ports and facilitated the landing of the American army; and, in the far east, Admiral Dewey

destroyed a squadron of the Spanish fleet at Manila Bay, in the Philippines, on May 1st. American troops, under General Shafter, landed at Daiquiri, on June 22nd to 24th; and on July 3rd Admiral Cervera, in trying to save his squadron by putting to sea from Santiago, was captured after an engagement in which his fleet was destroyed. By the middle of August General Miles was practically in possession of Porto Rico; and on August 13th a rising of Filipinos helped the Americans to capture the city of Manila from the Spanish garrison. On the 16th President McKinley directed that hostilities should be suspended, and on December 10th, 1898, the Spanish and American commissioners, having met at Paris, agreed upon a treaty of peace against the terms of which the Spaniards protested to the very end. By this instrument Spain relinquished her sovereignty over Cuba, ceded to the United States Porto Rico and other islands under her sovereignty in the West Indies, as also the island of "Guahan or Guam," and ceded further the archipelago known as the Philippine Islands, in consideration of a payment by the United States of £4,000,000.

Considerable opposition was displayed in the Senate to the acquisition of the Philippines, and it was not lessened by the repeated attacks of the natives on the American troops under General Otis, and on the American sailors under Admiral Dewey.

These revolutionary outbreaks in the Philippines have never really ceased, though they diminished in violence after the capture of one of the best-known ringleaders, Emilio Aguinaldo, in 1901. The Senate finally ratified the peace treaty in February 1899, and the United States, in accordance with its condi-

tions, remained the guardian of Cuba until the Republican Government was established. Cuba was, in fact, under military control until May 20th, 1902, when "independence" was granted. Although nominally independent, Cuba was authorised by the United States to form her own government only on very strict conditions. The so-called "Platt amendment" provides that Cuba shall make no treaty with any other foreign Power that might impair her independence, that the United States shall have the right to intervene for the preservation of Cuban independence, for the discharge of Cuban obligations under the Treaty of Paris, and for the protection of life, property, and individual liberty. Further, it was stipulated that the United States should have naval stations at Guantanamo and Bahía Honda. These conditions were all included in the Cuban Constitution. In August 1906 an insurrection broke out, which led to American intervention. The troops were in occupation until January 1909, since when the island has made another and fairly successful attempt to govern itself.

CHAPTER IX

Mr. Roosevelt—The Americans and their great men—Lincoln compared with the new school—Problem of central government—The demands of capital—New economic conditions—Banking questions—The “Bull Moose” party—Social reforms.

THE war made the Administration popular, for the Americans had won a relatively great victory in a short time, and every one could predict that when the electoral college had given its decision McKinley would be again elected. His opponent was Mr. W. J. Bryan, who was a nominee of the Free Silver party. Of the “popular” votes cast, McKinley received 7,214,027 and Bryan 6,342,514. The electoral vote was 292 in favour of McKinley to 155 for Mr. Bryan. As the Democrats put forward imperialism as the “paramount issue of the campaign,” it is of interest to note that the country rejected their anti-expansion proposals by nearly a million votes. President McKinley had been in office for only a few months of his second term when he was shot, while delivering an address at the Pan-American Exposition in Buffalo, on September 6th, 1901. His assassin was a young anarchist named Leon F. Czolgosz. The President died on September 14th, and Mr. Roosevelt took his place.

It is difficult to account to an English public for Mr. Roosevelt's extraordinary popularity in the United States. He writes without effort, but is not always read with equal facility ; and he is not by any means a statesman of the European type. We can



MR. THEODORE ROOSEVELT.

From a photo taken on February 20, 1912, before Mr. Roosevelt left New York to speak at Columbus, Ohio.

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hardly imagine a British Cabinet minister fraternising with the people present at a public meeting and addressing his audience as "boys," saying that he is as fit as a "Bull Moose"—an expression which has given its name to a new political party—and describing anything that meets with his approval as "bully." Mr. Roosevelt, however, did not spend two years on a ranch in Western Dakota for nothing. His rough-and-ready platform style, his frequent outpourings of maudlin rhetoric, his ready command of his native country's colloquialisms, his general outlook on life, are all representative of the rather superficial nature of the average American. The strenuous life—he has given the name to one of his own books—untiring energy, continuous movement, and even large families, are all associated with him, exactly as they are associated with the ideal existence of the typical American.

His energy and his common-sense grasp of immediate problems are two features of Mr. Roosevelt's character which enable him to make progress where a more profound theorist would lag hopelessly behind. It is true that much of what Mr. Roosevelt has done will have to be undone; he has said many things which he would not have said if he had been able to reflect, to meditate, to foresee. In all his speeches about the trusts, for example, Mr. Roosevelt has not laid down any constructive policy; he has not given us an original criticism. No matter: these are not things which the American public takes into account. It can, and does, realise that Mr. Roosevelt raised a regiment of rough-riders when war broke out between America and Spain, and that he afterwards took command of those men and did

good work in Cuba. Few people, even in America, seem to remember that Mr. Roosevelt became Assistant Secretary of the Navy in 1897, and that when he saw that war with Spain was inevitable he was successful in inducing the naval authorities to bring the fleet up to a higher level of efficiency. In the latter case Mr. Roosevelt worked without much publicity; in the former he was brought prominently to the notice of the people. Yet his work for the navy was of much greater importance for his country than his work as a leader of rough-riders.

The attitude of the American people towards their great men may be expressed in another way. During his own election campaign Mr. Roosevelt became famous for the number of speeches he delivered and the number of meetings he attended—the number of times, for example, he spoke from railway carriages to crowds assembled on the platforms. He became famous later on for the length of his Presidential messages to Congress. It never seems to have occurred, even to his more cultured American critics, that one short speech with a constructive idea in it is worth more than a hundred rhetorical tirades against the trusts, whether delivered from a railway carriage or in a lecture-room. There is more of the genius of statesmanship in Lincoln's short but famous Gettysburg speech than in any one of Mr. Roosevelt's long messages to the Houses in Congress assembled. There are sounder political ideas in almost any one of the brief "Federalist" essays than in anything Mr. Roosevelt has written. This is not realised by the bulk of the American people; for they can judge the visible effects of action without being able to realise adequately what may result

from mere thought. Mr. Roosevelt is popular and prominent because he is always speaking, or lecturing, or moving about, or giving advice to nations or individuals. All this attracts the Press and the public. That a man may do such things without being an original thinker is quite another matter, and one of much less consequence to Mr. Roosevelt and to Mr. Roosevelt's countrymen.

Mr. Roosevelt's tenacity is less characteristic of the American people, but, considered as a national figure, he represents their good points as well as their bad. His interference in the Panama dispute may be balanced by the emphasis he has laid on the need of morality in a state, though his notorious example in the former case is much more likely to be followed by his admirers than his precept and his less obvious example in the latter. Certainly, both during his two terms of office and since, Mr. Roosevelt's "hustling," his attacks (ineffective) on the trusts and trust magnates, his frank and jovial contempt for ceremony, have endeared him to the American people. No need to wonder, therefore, that he was consistently supported in very nearly everything he did while he was President of the United States, or that on his return from hunting expeditions and lecturing tours as an ordinary private individual he was always greeted enthusiastically by the crowds.

During the Roosevelt Administrations, several questions of great importance had to be considered, and one of them had to be decided. This one was the question of the Panama Canal, which Mr. Roosevelt solved in his own hustling way, a way that left diplomacy gasping. There were also a few other questions discussed in his time, but not yet decided,

such as the need of a centralised government, the position of the trusts, and immigration. The tariff and currency questions were raised in Mr. Roosevelt's Presidency, and were more or less decided by the Wilson Administration in 1913.

The foregoing chapters have made it clear, I hope, that the problem of a central government in the United States has always been the cause of heated controversy and ill-feeling. In the revolutionary period it was almost impossible to induce the representatives of the states to confer any powers worth naming on the Central Government. Such powers as were at length conferred were subject to severe restrictions. So late as 1814 threats of secession were frequent even in the northern states, and but for the signing of the Treaty of Ghent it might have been necessary to decide the question of governmental powers nearly half a century before the Civil War broke out. Up to the last the southern states held that they were justified in leaving a Union which they did not like for the purpose of starting one of their own; and though the Civil War proved that this was an erroneous interpretation of the Constitution, there has always been an influential body of opinion holding that the less the state governments were interfered with from Washington the better for all parties.

It will seem to the observer to be more than a coincidence that democracy, plutocracy, and a centralised government should usually go together in modern times. The more France, Italy, Great Britain, Spain, and Germany became welded into single nationalities with a strong central governing body, the more certainly did power pass out of the hands of the agriculturalist into the hands

of the capitalist. In England and in America this process has for some time been almost complete; in Germany it has proceeded to great lengths; and in the Latin countries, although the financial interests are less powerful and the agricultural interests more powerful than they are in Teutonic and Anglo-Saxon countries, we must recognise that the spread of democracy and centralised administration has resulted in an expansive movement comparable to similar movements among the rival races.

The travels and geographical discoveries of the nineteenth century will not alone explain why the foremost nations should have made such desperate attempts at colonisation during the last hundred years—why France should have seized upon Algeria, Tunis, and Indo-China; why Italy should have sent expeditions to Abyssinia and Tripoli; why the United States should have taken over the Philippines, Hawaii, a part of Panama, and a few islands here and there off the south-eastern coast; and why Spain, France, Germany, Belgium, and ourselves should have made incursions into various parts of Africa. The great discoveries of nineteenth-century explorers had undoubtedly much to do with this; but the main cause of the comparatively sudden colonising movement was the ever-pressing need of capital to find new worlds to conquer.

The economic conditions associated with the gradual spread of capitalism will explain, or help to explain, many recent national movements which it would otherwise be difficult to account for; and the growing power of the financier in the United States has been seen, not merely in the high tariffs and the curious currency system, but in the very organisation

of the State itself. The aristocratic and agricultural south refused for a long time to be governed from some far-off capital—indeed, when the southerner, until recently, spoke of the “capital” he meant the capital of his own state and not Washington. With the final defeat of the planters, in 1865, influence and power were no longer to be found among the old aristocratic families in the southern states, but rather in the classes to which belong the Hills, the Vanderbilts, the Goulds, the Astors, the Harrimans, the Carnegies, and the Rockefellers. That this transference of power should have been followed by a decided tendency to extol federal at the expense of state government is not surprising when it is recollected that the exigencies of modern capitalism necessitate a strong central control.

In the struggle between what we might call national capitalists, such as Mr. James J. Hill or Mr. Edward Harriman, and the smaller capitalists whose interests lie in the states rather than in the country as a whole, the larger capitalists have won, but only recently. As the first result of this victory, it is but natural that we should expect some alteration for the better in the banking system; for it is certainly better that the banking system should be national (as far as possible) rather than provincial, and, indeed, anti-federal. The Currency Bill, already referred to, is at least a step towards the attainment of this end.

Banking, however, is only one branch of business, and a change in it will not necessarily be of great importance unless it is accompanied with a change in the regulation and control of industry. At present each state, for example, can regulate the formation of trusts; and the Sherman Anti-Trust Law of 1890,

while declaring that combinations in restraint of trade were illegal, did not provide for any central regulation of the State regulation of trusts. It became the object of the great financial magnates to centralise the control of industry, for this would give them power over their competitors as well as over their workmen. When, therefore, Mr. Roosevelt offered himself for re-election, in 1904, he found himself supported from a source which was perhaps not so very unexpected.

Mr. Roosevelt, in spite of his admittedly close association with great financiers, had breathed fire and slaughter against the trusts without doing anything effective to check them. He said that he saw in a strong central government the best means of putting a stop to the abuses caused by large monopolies and large combinations of capital. In this he was quite right, always provided that the methods essential to this end were applied and not merely spoken about. It was, therefore, only logical that Mr. Roosevelt should advocate, as he did, the conferring of greater powers upon the central authorities to enable them to deal more efficaciously with the uniform control of industry throughout the state. This plan, however, so exactly suited the financiers themselves that many of them had no hesitation in supporting Mr. Roosevelt's candidature. Several financiers, of course, made sure of being "on the right side," as they afterwards admitted, by subscribing largely to the campaign funds of both the political parties.

After Mr. Roosevelt's re-election, in 1904, we heard for a time comparatively little about centralised government. There were other things to be discussed—insurance scandals, Civil Service reform, and

the like. A few of the more prominent trusts were prosecuted, the two most interesting cases being those of the Standard Oil Company and the Northern Securities Company. The latter was a vast trust formed for the purpose of merging under one control practically all the railway systems of the country. In spite of the strong personal pressure brought to bear on the President, the Government suit was urged forward, and the trust, after two years of argument, was dissolved. The Standard Oil Company, or rather its Indiana branch, was prosecuted under the Sherman Act and fined \$29,000,000. The fine was never paid, and the trust, after a show of re-organisation, was soon as firmly established as ever, just as the men who controlled railway stocks did not suffer from a dissolution of the Northern Securities Company. It takes more than government prosecution to hurt an American trust; but the spectacular legal actions referred to were of much advantage to the Roosevelt Administration and added to its popularity.

When his second term drew to a close, the President succeeded in practically nominating as his successor Mr. William Howard Taft, whose candidature was approved by the Republican Convention. Mr. Taft had been Governor of the Philippines and Secretary for War, and Mr. Roosevelt's open support of him during the election campaign was perhaps the chief factor in securing his return by a large majority. The Taft Administration continued the policy of its forerunner, but it was thoroughly humdrum and uninspiring. By 1912 the Democrats had succeeded in making headway throughout the country, chiefly on account of the rise in prices and their anti-tariff agitation; and many of the Republican leaders, well

appreciating Mr. Roosevelt's popularity, wished to see him nominated again as the Presidential candidate. A strong group opposed this suggestion on the ground that a third term would not be in accordance with the spirit of the Constitution, though Mr. Roosevelt's supporters held that while three consecutive terms might perhaps be unconstitutional, a third term was not necessarily prohibited. This view was publicly maintained by Mr. Roosevelt himself; but at the Republican Convention which opened at Chicago on June 18th, 1912, Mr. Roosevelt was rejected as the official candidate and Mr. Taft was re-nominated.

Denouncing the convention as "packed by the bosses," Mr. Roosevelt at once opened a convention of his own, and the Progressive party, more familiarly known as the Bull Moose party, was founded. In the end the Democratic candidate, Mr. Woodrow Wilson, was elected; but the Bull Moose leader secured second place, and Mr. Taft, the official Republican candidate, was a bad third. What is of the greatest interest in connection with this election campaign is Mr. Roosevelt's official programme of social reform as explained at the meeting of his convention at Chicago in August. It was the first time in the history of America that a full programme of the kind had been laid before the electorate; and, whether the Progressives manage to hold their party together or not until 1916, there is no doubt that their recommendations will have a profound effect on the next Presidential campaign. The stereotyped election issues of currency and tariffs were swept aside; and in their place Mr. Roosevelt laid down several "planks," of which the following are the most important:

First, there were to be insurance funds against

sickness, accidents, invalidity, and old age; and the revenue necessary for paying the benefits under each head was to be charged on industry and not on wages. Secondly, the suffrage was to be granted to women "if for no other reason than to enable working women to combine for their own protection by the use of the ballot." Thirdly, wage commissions were to be established. Fourthly, compensation was to be paid to workpeople for deaths and disease due to industrial conditions. Fifthly, wherever labour had to be carried on throughout the twenty-four hours, it was to be done by the three-shift system. Sixthly, the Panama Canal was to be fortified and American coastwise vessels were to pass through free of tolls. Seventhly (an ironical comment on the foregoing clause) all foreign treaties were to be scrupulously observed.

The campaign that followed these announcements surprised everybody. The new party had no organisation; most of the trust magnates felt themselves threatened by it; the Press was hostile; there was no organisation, and funds had to be scraped together at a few days' notice. In spite of these disadvantages, the Progressives polled considerably more than four million votes.

We in England have had some experience of this social reform legislation; and it is by our experience and its application to America that Mr. Roosevelt will be judged in the future. The most natural question to ask is, Does Mr. Roosevelt put forward this programme in the belief that it will do good to the workers of the country, or does he wish to benefit the trusts at the same time? Has he, in a word, been taken in by the wild rhetoric and wilder legislation of Mr. Lloyd George? We shall not have to

conjecture in the dark if we wish to predict the probable effects of the Progressive party's programme. We have had some experience in England of old-age pensions and of national insurance, both against sickness and unemployment; of wages boards and of the three-shift system. Our experience has been that such legislation is theoretically plausible, and in practice disastrous for the interests of the working classes. In the first place, whether the expenses of such schemes are charged to the community in taxes, to the workman in deductions from wages, or to the employer by a fixed tax on his wage bill, the result almost invariably is that the employing classes manage to recoup themselves by raising prices, by speeding up, by the dismissal of their older workmen, and also, where possible, by the reduction of wages. We have had such legislation as this since 1907, when the first railway conciliation boards were established, with the result that since then real wages—i.e. wages in proportion to the cost of living—have steadily fallen, and that the working classes are now in a state of discontent which has not been paralleled since the trade union agitation of the seventies or the late eighties.

Coincidentally with this, profits have risen in a manner which can only be called astounding. If sickness and unemployment payments are to be had from the State, the employer is relieved to this extent, and his small nominal contribution is much more than covered by the rise in prices. A study of the Board of Trade *Labour Gazette* for 1912-13 will suffice to show this; but there is one even more important document which Mr. Roosevelt's party will do well to examine before proceeding with their

programme of social reform without realising where it is taking them.

In the autumn of 1913 the Board of Trade published the first report of its proceedings under Part 2 (Unemployment Insurance) of the National Insurance Act (Cd. 6965). This report explains in minute details how the Government officials and the employers have worked in collaboration with the labour exchanges and the trade unions to "place" men in employment—a laudable object in itself, but very badly carried out by the Board of Trade officials appointed under the National Insurance Act. In the first place, the trade unions themselves have been turned into adjuncts of the labour exchanges, and the labour exchanges, instead of being bureaus with the primary aim of finding employment for unemployed workmen, have become bureaus with the primary aim of supplying employers with labour. There is a whole world of difference between the two objects. Secondly, the workman is moved about from place to place as if he were a railway wagon; and his home, his family, his local interests, do not count when he is ordered perhaps hundreds of miles away.

That our National Insurance Act is unjust to the workmen; that it is passionately hated by them; and that it is of advantage chiefly to the worst classes of employer, are facts which not even the Liberal newspapers and spokesmen supporting this particular branch of the Government's policy can deny; and a perusal of Sections 248-258 of the Blue book just referred to would dispel any doubts there might be on the subject.

All this so-called social reform, then, is, in the long run, useless as a means of improving the condition of the working classes; but it has on every

powerful effect which perhaps the Progressive party may not have taken into consideration—it centralises. It would be impossible, even for another Roosevelt Administration, to carry out the scheme of social reform adumbrated at Chicago unless some such organisation as a labour exchange system were established; and whatever this system may be called in the United States, it could not be worked at all unless it were worked from some central point—the commercial capital, if not necessarily the national capital.

It may be a mere coincidence that Mr. Roosevelt's plans for centralising the government of the country should be supported by plans for centralising the regulation of the trusts and of the workmen; but the fact remains that the legislation proposed would have this result. We have already found this out; and there is no better test in such matters than the test of practical and bitter experience. Mr. Lloyd George's social reform legislation has done more to interfere with the personal liberty of the workman and his family than any other legislation ever passed through the English Parliament. In Germany the story is, with very slight modifications, essentially the same. In fact, no man can prevent this pseudo-social reform from interfering with the liberty and, in consequence, demoralising the character of the working classes—no man, even if he is so popular that everybody calls him "Teddy."

What is more, the Wilson Administration, or any democratic government that may follow it, will, in time, find itself in a very similar position so far as the federal control of industry is concerned. The Democratic Currency Bill, as I have already explained, was a step towards centralisation, though

it did not go all the way. Any attempt to control the trusts must be based on the principle of central administration, or it will fail. The difference in the outlook of the three political parties in America is not how the trusts shall be regulated, but rather what trusts shall be regulated. The Republicans, though they have no policy for the moment, must in the long run depend upon the support of the largest financial undertakings in the country—the greatest monopolies. The Democrats must consider the interests of the trusts which operate on a somewhat smaller scale: if they do not, they will get no campaign funds when the next election comes round.

To explain the probable sources of Progressive support is a more delicate matter; but that the Progressives must rely upon the large employers rather than upon purely popular interests will not, I think, be denied in any responsible quarter. It will not be forgotten that Mr. Roosevelt, although he acted as arbitrator in the great anthracite coal strike of 1902, made military preparations for dealing with the men in case they should not show themselves amenable to reason. Furthermore, Mr. Roosevelt's attitude on the question of the Panama tolls should secure him the support not merely of the coastwise shipping interests, which are negligible, but of the trusts interested in coastwise shipping—a very different matter. The social reform programme, of course, should meet with the hearty approval of every employer who wishes to quell the growing spirit of Socialism and Syndicalism, and to bring his workmen into that condition of servitude and dependence which seems to be so necessary for the adequate development of modern industry.

CHAPTER X

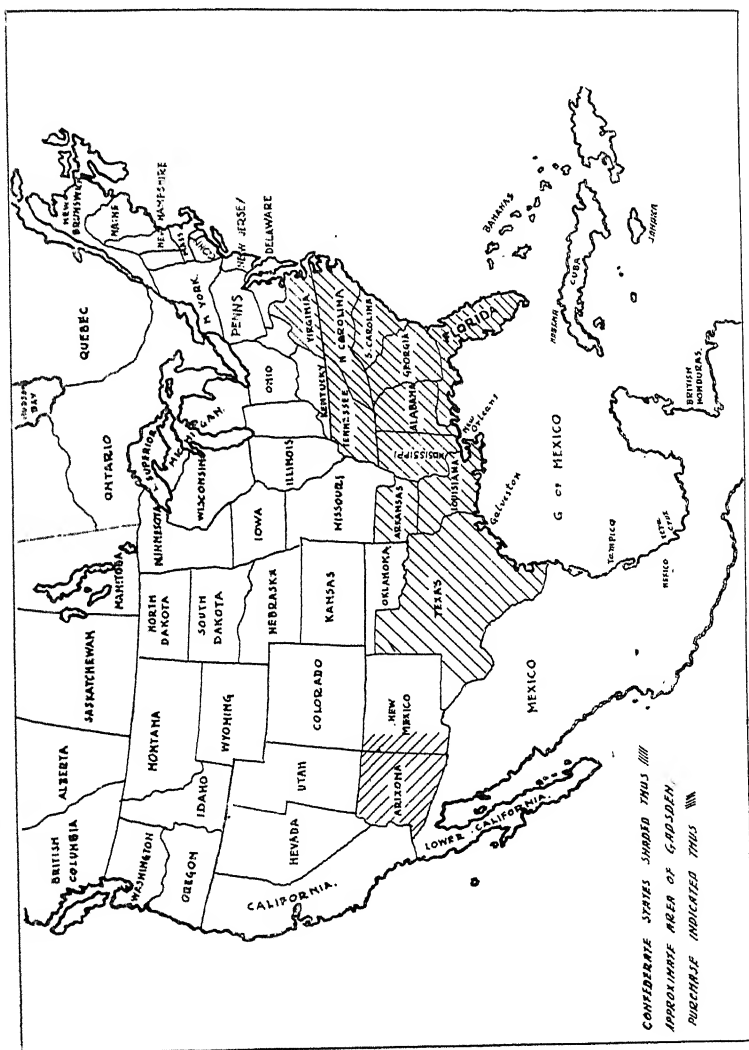
The trust system—Examples—The Standard Oil Company—Mr. Morgan's interests—Mr. Carnegie—The Steel Corporation—The Supreme Court—Labour in America.

It is well that something should be said about the American trust system and its effect upon the economic and political life of the United States. I may as well say at once that my experience of America and the trust system has convinced me that, properly applied, organised, and regulated, such a system is inevitable, and will long be necessary for the development of so gigantic an industrial territory as the United States. A vast country had to be exploited on vast financial lines; and without the high tariffs and the trusts the United States could not have made such progress as she has made. The steady increase in wealth, population, imports and exports would never have been possible without this much maligned feature of commerce and finance. Business to-day has world-wide ramifications, and the nation that wishes to attain commercial supremacy must not merely dominate a continent—it must make its effect felt throughout the world. This the American nation has succeeded in doing, and when national expansion is the end in view, no one—and least of all the governing and employing classes—can afford to be particular about the means employed. We were not particular ourselves; and

no Englishman may cast the first stone. We may, if we wish, examine the American trust system, and we may, if we can, criticise it from the point of view of commercial efficiency; but we cannot criticise it from the point of view of international morality.

To begin with, there was an entirely natural reason why large business houses should rise and flourish in America. In every industrial country the use of machinery gradually displaced the hand worker and established the factory system; and the large factory, being able to operate, speaking generally, with greater economy, displaced the small factory. The attempts of all manufacturers to enlarge their businesses so as to lessen the cost of production of their goods led to the development of world-wide commerce and to the exploitation of new countries—a matter which has already been referred to. The absorbing capacities of the far-off markets are not accurately gauged; there is an over-production of some class of goods; prices fall; the small houses are ruined; and the larger firms, after a struggle, reimburse themselves by securing the business of their less fortunate competitors. Then competition itself is found to be disastrous, and the former competitors meet to regulate production and prices, and thus to control the market. This change from competition to combination is the distinction between the industry of the first six or seven decades of the nineteenth century and the industry of our own time; and it is not peculiar to any one country.

What is peculiar to the industrial conditions of America is the vast extent of the country and the relative rapidity with which it was populated. The stream of immigrants from Europe demanded em-



ployment, and they could not all find employment on farms even if they had wished to. They were, on the other hand, welcomed by the capitalist who had an industry to develop; and the result was that from the first there was less chance for the "small man" in modern America than in many other countries. Few "small men" could stand out against the fierce onslaughts of the trusts. We do not find in America a society which has grown slowly through a series of centuries, and in which industry has gradually passed from the stage of the craft or merchant guild to the individual proprietor, and lastly to the large factory. We find the factory first and the rest nowhere.

The capitalists, too, possess a genius for turning every new discovery to account; and nothing was left undone to develop anything that seemed likely to yield large profits. Developments were rapid. It seems almost incredible that the Pennsylvania Rock Oil Company was not formed until 1854, in which year an expert reported, on a sample of oil sent him, to the effect that it would be a very valuable product for lighting and other purposes. E. L. Drake, the superintendent of this company, being unable to find sufficient oil on the surface of the springs in the land leased by his firm, decided to drill artesian wells; and, at Titusville, near the Alleghany River, he "struck oil" in 1859—the phrase has become famous. The rush to the oil-fields in Pennsylvania resembled the rush to the gold-fields in California ten years before, and, by 1866, when the oil was being pumped direct from the well to the railroad, millions of gallons of crude oil were being produced and shipped all over the world.

The unexpected discoveries of new wells—most of them, however, not far from the district in which oil was originally “struck”—caused much fluctuation in the price of the crude product; and, so early as 1867, the three chief railway-lines concerned (the Pennsylvania, the Erie, and the Central) began to speculate largely in oil stocks and to help their friends by the granting of secret rebates. This plan was carried to perfection by a young commission agent in Cleveland, Ohio, named John D. Rockefeller. Young Rockefeller put his small capital into an oil refinery, and, with the help of his brother William and other partners, made his business such a success that it developed into the organisation which we now know as a trust. The Standard Oil Company flourished; and it flourished chiefly on account of the railway rebates; Standard Oil products were carried more cheaply than the products of other firms; and the competition grew so keen that between 1865 and 1870 the price of refined oil was halved. An attempt was made to meet this competition by the formation of the South Improvement Company in 1871. For many years the Rockefeller interests denied all connection with this concern; but, in 1888, when a committee of the House of Representatives, which was investigating the position of the trusts, asked Mr. Rockefeller whether he had belonged to the South Improvement Company, he admitted that he had been one of its leading members.

The plan of this organisation was simply to buy out all the refiners and then to sell oil at its own price. The attempt failed because a sufficient number of refiners stood out and prevented the railway rebate system from coming into general use. The monop-

listic methods of the trust were at once carried into effect by the Standard Oil Company itself, which continued to receive substantial rebates from the railway companies and was able to undersell its competitors proportionately. Oil was not at this stage a monopoly; it was in the preceding stage of being under the control of an "industrial combination." Various oil interests, with Mr. Rockefeller at their head, had formed a "Central Association"; and in this association Mr. Rockefeller was the dominant influence. In succeeding years the Standard Oil Company gradually acquired control of the oil-fields of its competitors, and regulated prices in accordance with its monopoly. Where the monopoly was assured, oil was sold at the highest possible commercial price; where any competition remained the Standard Oil Company undersold and then bought up its competitors, and, subsequently, of course, raised its prices. Its operations were truly in the "grand manner," and must call for the unqualified admiration of all business men.

The Interstate Commerce Act of 1887 was the first legal instrument that seemed for the time being to threaten the Standard Oil Company; and it was to elude the provisions of the law that the Directors, through their skilled lawyers, drew up the famous "Trustee" Act, from which the modern trust takes its name. The Standard Oil Company at this time comprised about forty companies, many of them hoodwinking the public by carrying on business under their own older and better-known names. As such combinations were no longer legal, an ingenious method of avoiding the penalty of dissolution was sought. The companies concerned handed over

their stock to nine trustees—Mr. Rockefeller and his partners in the Standard Oil Company—and received in exchange trust certificates. As far as the dividends were concerned, they were paid as if these certificates had been original stock; but the stockholders had now no power except the power of electing the trustees. The transfer of powers appeared from the documents to have been effected, not by the companies concerned, but by the individual stockholders themselves. The trust, in consequence, could disclaim any responsibility for the actions of the subordinate companies, and the companies could plead that they were not in any way connected with the trusts.

The attempts made in 1892, 1907, and 1911 to dissolve the Standard Oil Company were, from a practical point of view, useless. The law would be complied with in one form, only to be flouted in another, and, in spite of all the Government prosecutions, the trust went on buying out its competitors and regulating prices in accordance with the wealth of the district in which the oil was sold. It extended its operations to Canada and Europe; for it is well known that the Anglo-American Oil Company, the Colonial Oil Company of South Africa, the Imperial Oil Company of Canada, and even the Deutsche-Amerikanische-Gesellschaft, in Germany, are subsidiary companies forming part of the gigantic Standard Oil Trust.

The Standard Oil Company has been thus briefly sketched, because in its origin, development, and methods of buying out its competitors it is typical of every other American trust. The Steel Corporation followed nearly the same course, except that it

carried on its buying operations on a larger scale, and succeeded in acquiring not merely the innumerable plants which had already been laid down, but the ore-beds where the raw material was obtained, and also the controlling interest in many railroads and coal-mines—in fact, in all the important railroads and coal-mines of the United States. The heavy tariff kept out manufactured steel and iron products from abroad, and led to severe competition for the home trade; prices fluctuated wildly; smaller firms were driven to ruin; and at last, in the nineties, combination was resorted to. Various “pools” or “industrial combinations” were formed, such as the Wire Nail Pool, the National Tube Company, the American Steel and Wire Company, the American Tin-Plate Company, and so on. These “pools” were both “vertical” and “horizontal”—i.e. they were formed by firms engaged in successive stages of the same industry, or firms engaged in the same branch of trade.

All these large holding-companies, in which the interests of Mr. J. P. Morgan and his partners were generally predominant, were menaced towards the end of the century by the operations of the Carnegie Steel Company, which not only owned many valuable patents, but also controlled several quarries, ore-beds, and innumerable steamers for the conveyance of its products. In 1900 it was announced that the Carnegie Company intended to engage in the manufacture of various finished products, and, to prevent the ruinous competition which this would have involved, the competitors of Mr. Carnegie bought out his interest for \$420,000,000, the “Billion Dollar Trust” being formed for the

purpose, under the control of Mr. J. P. Morgan. In 1912 the net income of this great combination was \$54,000,000, of which the sum of \$50,000,000 was distributed in dividends.

The Steel Trust was prosecuted in 1911 under the Sherman Anti-Trust Law, and the evidence given before the Committee of Inquiry has, of course, been published. Much of what is essential in it has been incorporated in this chapter. A more serious attack, on the trust, however, has been made by the new Tariff Act of 1913. By this Act pig-iron, the raw material of the steel industry, is henceforth to be admitted free of duty; steel rails are also to be admitted free; and the duties on other important steel products have been considerably lowered. The trust will, in consequence, one presumes, have to meet the competition of European manufacturers anxious to extend their trade; and it is questioned by some experts whether the Steel Corporation will be able to meet such competition effectively. Still, so far back as 1908, when Mr. Carnegie was giving evidence before a Government Commission of Inquiry at Washington, he asserted that the improved methods of production then in use in America would easily enable the steel manufacturers of the country to dispense with the protection of the tariff if that protection were withdrawn.

In banking, too, the influence of the trust system has been felt. Mr. Morgan's almost unlimited command of money all through the financial crisis of 1907 caused much sensation at the time, and some anxiety; and it was definitely alleged that the credit of the country was in the hands of a few financial corporations in New York, Boston, and Chicago; that these

great concerns, as a result of their control of railroad, industrial, and insurance corporations, were able to concentrate in their own hands all the money available, and that there was, in fact, a money trust which monopolised money exactly as the Tobacco Trust monopolised tobacco, or the Standard Oil Company petroleum. In the autumn of 1912 the House of Representatives appointed a committee to inquire into these allegations. This board, known as the Pujo Committee from the name of its chairman, heard a great deal of evidence, not the least interesting being that supplied by Mr. J. P. Morgan himself. In spite of Mr. Morgan's denial that there was a monopoly, he gave the members of the committee sufficient evidence for them to declare that in their opinion a money trust existed, in accordance with the definition of Mr. Untermeyer, their legal adviser: *i.e.*, there was "an established identity and community of interest between a few leaders of finance, which has been created and is held together by stockholders, interlocking directorates, and other forms of domination over banks, trust companies, railroads, public services, and industrial corporations, and which has resulted in a vast and growing concentration and control of money and credit in the hands of a few men."

It must be remarked that the organisation of the American political system is of great assistance to the promoters of trusts. It is customary for the American people to be taught that they are ruled in accordance with the written clauses of a Constitution which has been amended from time to time only by an overwhelming majority of votes. This is not strictly the case. The purely constitutional struggles

of the last century or so have been fought out by this time; and the Federal Government has, in spite of the Constitution, acquired more and more power. Why this should be so, why all the new laws passed are not necessarily provided for in the Constitution, is susceptible of easy explanation. The Constitution itself provides that any new laws which are questioned ought to be interpreted, in the final resort, by the Supreme Court; and during the last ten years the decisions of the Supreme Court have not admittedly always been in accordance with the provisions of the written Constitution. How could it be otherwise? There was never yet a written Constitution the signatories to which could foresee the changes and developments of a century ahead; and it would have needed an extraordinary prophet to foresee the changes in a country like the United States between 1776 and 1876.

The findings of the Supreme Court, however, have varied with the legal knowledge of the time; and even this high tribunal has not been above the reproach of listening to inducements and arguments not strictly relevant to the issue.

The Dred-Scott decision was not in accordance with the spirit of the Constitution; and there are other instances to show how often a human tribunal may admit its fallibility when interpreting a Constitution which its admirers appear to regard as divinely inspired. In 1880, for example, an Income Tax Law was proposed. This was held by some of those who would have been affected by it to be unconstitutional, and the case was brought to the Supreme Court for decision. At first the Court, by a majority of one, declared that the law was con-

stitutional ; but the proposed Bill was not proceeded with. At a second hearing, in 1895, when further arguments were brought forward after the actual passing of an Income Tax Law, the decision of 1880 was reversed, and the Court, still by a majority of one, now declared that an Income Tax Law could not be considered as constitutional. Up to the present this decision stands, though attempts are now being made to carry an Income Tax measure through Congress.

Take another instance. In 1856 the Chief Justice stated that there was no power vested in the Federal Government under the Constitution for the establishment and maintenance of colonies: "A power in the general Government to obtain and hold colonies and dependent territories for which it might legislate without any restriction would be inconsistent with its own existence in its present form. . . . To do so would be unconstitutional and inconsistent with our Republican form of Government." In 1901, however, this decision was set aside, and the Supreme Court—with only added experience to go upon, and not any further amendments to the Constitution—found that the Federal Government was entitled to enter upon the very policy which had been denounced nearly half a century previously.

In fact, not merely is the Supreme Court subject to the changes and advancements in legal knowledge and experience, it is powerfully influenced by quite other considerations, such as the temper of the people at a particular juncture or the financial interests likely to be affected by a decision. It says a great deal for the Supreme Court, then, that its rulings are generally accepted without overmuch grumbling,

and that the nation as a whole has complete confidence in it. Nor is this confidence misplaced, for it is, indeed, not at all easy to manipulate a document such as the American Constitution in order to make it applicable to the problems of modern times.

Reference has been made to the non-legal character of the arguments which are sometimes used to influence the decisions of the Supreme Court. It is by this time well known that American politics are not entirely free from financial influence of various kinds; and it has already been emphasised how the Government very often deliberately altered the tariff in order to assist the growing industries of the country. As in England, no official class, fortunately, is uninfluenced by our long traditions of aristocratic rule, so in America the relatively small professional class, from which the judges of the Supreme Court are drawn, is never immune from the influence of business; for the United States is unquestionably the country in which business influences are paramount. Enough traces remain of the struggle carried on for generations with the primitive forces of nature to ingrain into the minds of the people the knowledge that the country depends above all on the exploitation of its soil; and there are sufficient opportunities for enabling even the lowest classes to attain to high positions in commerce to make the business interests of a class the interests of the people as a whole. Business must be preserved because any one and every one may succeed in becoming a millionaire.

It is principally to this fact that we may attribute the comparatively small success which Socialism and similar forms of economic agitation have achieved

in the United States. There is not yet any large proletarian class which wishes to drag down to its level the class above. The whole tendency of the people is in the other direction. Indeed, no class in America is so low that there cannot be a lower; for the arrival of further immigrants collected from the dregs of the worst countries in Eastern Europe results in a continual and regular addition to the lower ranks of the working classes.

The close connection of several great American trusts with politics has never been denied. The United States Steel Corporation, for example, with all its subsidiary companies; the Beef Trust, the International Harvester Company, and the American Woollen Company, all of which have practically a monopoly of their respective products, have manipulated the tariff for their own purposes, and in the circumstances it would be hard to blame them for doing so. The tariff has protected their industries; combination has enabled them to raise prices in their own country; and the large profits thus obtained have enabled these concerns to "dump" American produce in many parts of the world where America might not otherwise have been heard of. The last American tariff, before the Democratic Tariff Bill was passed in 1913, was the so-called Payne-Aldrich Tariff of 1909, and under it the duty on imported sugar, cash registers, and iron and steel products varied from about 35 per cent to 50 per cent. On woollen goods the duty was more than 90 per cent.

The "Billion Dollar Steel Trust" has already been mentioned; but, in addition to it, between 1898 and 1901 (after the passing of the Dingley Tariff Act) about 150 large industrial companies were formed,

with a total capitalisation of not less than \$5,000,000,000. The International Paper Company alone, for example, had a capital of \$45,000,000. With such large interests as these at stake, it is not surprising that "lobbying" became a feature of American politics, and that rival companies endeavoured to outbid one another on the very floor of Congress. It is not surprising, either, that ordinary ethical considerations have never applied to such cases.

The Sugar Trust may be mentioned as an example. Giving evidence before a Commission of Inquiry, in 1897, Mr. Havemeyer, the president of the Sugar Trust, said, "It is the practice of the company to contribute to Republican party funds in the Republican states, and to Democratic in Democratic states. We get a good deal of protection from our contributions." When a further inquiry was held from 1898-1902 (the huge "Report of the United States Industrial Commission," on a truly American scale, has appeared in nineteen volumes), Mr. Havemeyer said, "As a business proposition, it is right to get out of the consumer all that you can. I do not care two cents for your ethics. . . . There is practically not an industry that requires a protection of more than 10 per cent *ad valorem*." After this is it not natural that, on March 26th, 1894, in the case of the United States *versus* E. C. Knight Company (*i.e.* the Sugar Trust), the judges of the Supreme Court should have got over their scruples by distinguishing between a monopoly of production and a monopoly of distribution?

"Doubtless," said the Chief Justice, "the power to control the manufacture of a given thing involves, in a certain sense, the control of its disposition, but this

is a secondary and not the primary sense; and although the exercise of that power may result in bringing the operation of commerce into play, it does not control it, and affects it only incidentally and indirectly. Commerce succeeds to manufacture, and is not a part of it. . . . Contracts, combinations, or conspiracies to control domestic enterprise in manufacturing, agriculture, mining, production in all its forms, or to raise or lower prices or wages, might unquestionably tend to restrain external as well as domestic trade, but the restraint would be an indirect result, however inevitable and whatever its extent, and such result would not necessarily determine the object of the contract, combination, or conspiracy."

This action is a typical case, and the "ruling" is a typical decision. It is true that we cannot associate such decisions with the judges who took their seats in the Supreme Court in the early years of the American republic. On the other hand, we cannot associate the exclusive and aristocratic tendencies of Washington and Hamilton with the United States of the present day.

When we come to consider the position of labour in America, we must remember that the American working classes, taking them as a whole, are not yet in such a condition of servitude as we find among some classes in England. Thanks to the fierce competition in America, the excellent system of commercial education for every one, and the genuinely equal opportunities held out to all, any workman may rise to a relatively high position, though on account of the system of trusts and "big businesses," he is not likely to have an opportunity of

becoming virtually his own master, as we understand the term on this side of the Atlantic. Further, at the present time a very large proportion of workmen who call themselves American are really immigrants from Italy, Spain, Russia, Austria, and the medley of countries in South-Eastern Europe, who have not been accustomed to a very high standard of living or of wages in their native land. Conditions, therefore, which would perhaps offend a native-born American or Englishman do not arouse any anger in the breasts of the tens of thousands of continental Europeans who are at work in every possible capacity throughout the United States. When it is admitted that there is a considerable amount of labour unrest in America, this reservation must be borne in mind.

The one feature of American industrial life which is surely bound to attract the attention of every observer is the almost entire lack of solidarity among the workmen. This is particularly due to the mixture of races which we find in such trade unions as exist; for what can a Pole have in common with a workman from Barcelona? What can both of them have in common with a workman from Trans-Caucasia? There is no hope of union or solidarity. This factor has to be reckoned with; and it is one which must inevitably remain to be reckoned with for generations to come. A secondary feature is the uselessness of any attempt to break down the trust system, or to "smash the trusts"; and a third is the intense desire of every workman to make his fortune in the shortest possible time without troubling himself more than is absolutely necessary about his fellows. It is this latter class

of workman, acting in conjunction with the eastern European immigrants just spoken of, which has brought about the great quantitative production of American manufactures; for unskilled labour, if it cannot turn out goods of quality, can at least mind the machines which turn out goods in quantities.

The effect of this unskilled class on wages generally is just now beginning to come under the notice of economists, though it is not likely to become an acute question until a couple of generations have passed away. From the very beginning of American industrial development, labour has been scarce, and the high wages which had to be paid at first are still the rule to a far greater extent than statistics would appear to indicate. The skilled American workman's standard of living is undoubtedly higher than that of the workman in any other country in the world: he demands better housing, and more home comforts, such as hot-water baths, electric light, and steam heating, and he gets them. He insists on more amusements than men of his class in Europe, and he insists also on having more money to spend than they have. This high standard of wages has long been maintained by the scarcity of labour, resulting from the continuous emigration from the eastern and central states to the western, the men being attracted by the offers of land, which was placed freely at the disposal of all likely settlers. It is not disputed that labour in America is not so well off as it was ten or twenty years ago; but the workman, occasional instances to the contrary notwithstanding, still maintains a higher standard of living there than we can find in the Old World.

The loosely organised American workmen may be

divided into three classes : those who belong to the American Federation of Labour (A.F.L.), those who belong to the Industrial Workers of the World (I.W.W.), and those who prefer to associate themselves with the Deleonites, the followers of a well-known agitator named Daniel Deleon, who helped to form the American Socialist party and the I.W.W., and afterwards broke away from the latter organisation. The A.F.L. represents such skilled workmen as have been able to come together—it has about 1,800,000 members. The I.W.W. have been fairly successful in organising a small percentage of unskilled workers, and the Deleonites form by themselves a small and uninfluential band of extremists. Of the three groups, the I.W.W. are not nearly so strong in numbers as the A.F.L., but they are generally looked upon as being a more progressive body, and to their numbers belong Mr. Eugene Debs, Mr. W. D. Haywood, Mr. Vincent St. John, and other labour leaders. The only prominent name associated with the A.F.L. is that of Mr. Samuel Gompers, who is looked upon by the rising school of the I.W.W. as rather a reactionary.

The great defect of all these bodies is that solidarity among them is not merely lacking, but almost impossible to achieve. The A.F.L. itself is so sectionalised that one branch of the workers cannot rely upon the assistance of another ; and there is so much ill-feeling between the A.F.L. and the I.W.W. that there seems to be no immediate possibility of the skilled and unskilled workers assisting one another. No doubt, for reasons already given, unskilled labour is likely to be plentiful in the United States for many years ; and the capitalists,



who invariably work together on questions affecting wages and profits, may be trusted to see that nothing is allowed to interfere with their economic system. Women and children are still employed in the United States under conditions which have not been tolerated here for half a century—it is estimated that four million children are at work in American factories.

While, therefore, trade unionism in the United States is making slow progress, and may become a political and economic factor of some importance in half a century or so, it need not be taken seriously into account at the present time. Furthermore, it is very unlikely that there will ever be one single strong trade union movement in the United States such as we are accustomed to in this country. It is much more probable that the more conservative skilled workmen who belong to the A.F.L. will form one body corresponding in a measure perhaps to the German "pacifist" or free labour unions, or to Mr. Collinson's "free labour" movement in England, though on a much larger scale. The German "pacifist" or "yellow" unions are composed almost entirely of industrialists, and they are largely subsidised by the employers. It has often been alleged by the more reckless labour leaders that the A.F.L. has accepted bribes from the employing classes; but I have never been able to discover any substantial basis for this allegation. Even if the A.F.L. were subsidised by the employers, it would not necessarily lose its trade union character, any more than the "pacifist" unions in Germany have done by relying on the employers for funds. I am aware that this statement may be questioned here; but it must be remembered that in England there is only

one trade union movement. In America and Germany there is more than one such movement. Each movement of the kind has its own independent and more or less powerful following.

The industrial workers group has been ambitious enough to lay down a complete theory of trade union organisation, but Mr. St. John's ingenious plans for the establishment of local unions, district councils, and a central office—all this extending in time, if you please, into a union which shall be world-wide—cannot be read at this stage of the game without a smile. If we were to allow the I.W.W. a quarter of a million paying members we should be making a very liberal estimate; and these unskilled men, speaking perhaps thirty languages among them, are not likely to have much effect on the combined forces of capitalism and the A.F.L. Like labour leaders and agitators the world over, the founders of the I.W.W. have been responsible for numerous books and pamphlets; and the energy which might be expended by their followers in snatching the victory from capitalism (which never issues pamphlets at all, yet always wins) is devoted to the study of abstruse economic theories and the careful balancing of one impracticable plan against another.

CHAPTER XI

The story of the Panama Canal—The tolls question—Fortification—
South American standpoints—The Monroe Doctrine again.

THE projects for the construction of a canal to unite the Atlantic with the Pacific have been so many that it would be tedious to enumerate them. At first Nicaragua was chiefly favoured; and, so far back as 1825, Henry Clay ordered an official survey to be made with a view to American participation in any scheme that might be proposed. In 1846 the United States entered into a treaty with New Granada (now Colombia, but then including the Isthmus of Panama), and secured rights of transit over the isthmus "upon any modes of communication that now exist or may hereafter be constructed"—a treaty of which the American Government was to be reminded with some sharpness more than half a century afterwards. The construction of the Panama Canal under this treaty brought about the rise of a practically new town, Colon, known also by its earlier name of Aspinwall; for a railway was built with its terminus here, the starting-point being Panama. This line, which was taken over by the United States Government not long after its construction, had a monopoly of trans-isthmian traffic for years. It was said to be the factor that determined De Lesseps to construct his canal through Panama instead of through Nicaragua; and the

French Panama Company bought it from the United States Government for £5,100,000, which was at least three times its value. Of course, when the United States Government took over the scheme, after the failure of the French company, it bought back this railway.

In the forties, after the British had acquired British Honduras, and had extended their influence into the neighbouring states, some tension developed between England and the United States when the south-western territories had become for all practical purposes part of the Union. This led, in 1850, to the famous Clayton-Bulwer Treaty, concluded on April 19th of that year, between Sir Henry Lytton Bulwer, British minister to the United States, and the American Secretary of State, Mr. John M. Clayton. Although this treaty was obviously concerned with a canal through Nicaragua, it established "a general principle" with respect to any waterway across the isthmus wherever it might be built. The gist of the treaty provided that neither of the two contracting parties should obtain any exclusive control over the canal, or maintain any fortifications in its neighbourhood. This treaty was severely criticised in the Senate; for the nation seemed to be unanimous in urging—when it realised what the provisions of the document were—that the canal, if built at all, should be owned and controlled by Americans. The opening of the Suez Canal, in 1869, once more attracted attention to the Panama-Nicaragua project, and De Lesseps established La Société Civile Internationale du Canal Intérocéanique in 1876; and the engineering experts of this company advised, in 1879, that the route adopted should be through Panama.

A concession was secured from Colombia for this purpose.

The French scheme was at once opposed by the United States, who maintained that the Colombian concession was not in accordance with the spirit of the treaty of 1846. French pressure was brought to bear on the United States Government with a view to securing the abrogation of this treaty, but it was unsuccessful. In a message to the Senate on the subject President Hayes said, "An inter-oceanic canal across the American isthmus will essentially change the geographical relations between the Atlantic and the Pacific coasts of the United States, and between the United States and the rest of the world. It will be . . . virtually a part of the United States. . . . It is the right and duty of the United States to assert and maintain such supervision and authority over any inter-oceanic canal across the isthmus that connects North and South America as will protect our national interests." This definite stand, it might have been argued, was inconsistent with the Clayton-Bulwer Treaty; but, as we shall see, the American Government did not trouble itself about treaties towards the conclusion of the work on the canal.

The French Compagnie Universelle du Canal Intérocéanique de Panama was formed in 1881, and its failure was due to political intrigues at home rather than to inefficiency in Panama. The story of the scandal and the extravagance does not form part of the present argument; and other pens have dealt with it. The American Government took precautions by concluding a treaty with Nicaragua in 1884, securing for the United States the right to

a protectorate over any canal that might be built through Nicaraguan territory. This was the first step towards acquiring a complete financial protectorate over the state of Nicaragua itself, which is now held so strongly in the grip of the American Government as no longer to form an independent country. In effect, Nicaragua is now in very much the same position as Cuba—the Government, though nominally independent, is actually subject to the veto of the United States.

After the French failure the New Panama Canal Company took over the work, while the Americans, still anxious to have a canal of their own, actually began work on one in Nicaragua, the Maritime Canal Company being formed for the purpose. The scheme was abandoned in consequence of the trade depression of 1893, which made it impossible to get the capital required. This American canal, let it be said again, was contrary to the letter and spirit of the Clayton-Bulwer Treaty of 1850. When war broke out with Spain, the difficulty of manœuvring the American fleet was felt, for too much time was lost in shifting a squadron from some point on the western coast, such as California, to New York, and vice-versa. This, again, led to an agitation for some sort of canal scheme, and special commissions visited both Panama and Nicaragua. The new American possessions in the Pacific made some kind of waterway more necessary than ever, and negotiations were entered into between Lord Pauncefoot, the British Ambassador at Washington, and Mr. John Hay, Secretary of State. The result of these negotiations was a draft treaty, which the Senate refused to accept, as it did not provide for a sufficiently com-

plete control by the American Government; and when the Senate's amendments came to be considered they were not found acceptable by the British Government. Fresh negotiations resulted in the Isthmian Canal Convention, usually known as the Hay-Pauncefote Treaty, of 1901. This document is so short and so important that it may be quoted in full:

(1) The high contracting parties agree that the present treaty shall supersede the aforementioned (Clayton-Bulwer) convention of April 19th, 1850.

(2) It is agreed that the canal may be constructed under the auspices of the Government of the United States either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares; and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

(3) The United States adopts as the basis of the neutralisation of such ship canal the following rules substantially as embodied in the Convention of Constantinople, signed October 28th, 1888, for the free navigation of the Suez Canal; that is to say:

First.—The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

Second.—The canal shall never be blockaded, nor shall any right of war be exercised, nor any act of hostility be

committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

Third.—Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary ; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service. Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

Fourth.—No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible despatch.

Fifth.—The provisions of this Article shall apply to waters adjacent to the canal, within three maritime miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time except in case of distress, and in such case shall depart as soon as possible ; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

Sixth.—The plant, establishment, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be parts thereof for the purpose of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

(4) It is agreed that no change of territorial sovereignty or of international relations of the country or countries traversed by the before-mentioned canal shall affect the

general principle of neutralisation or the obligation of the high contracting parties under the present treaty.

(5) The present treaty shall be ratified by the President of the United States by and with the advice and consent of the Senate thereof, and by His Britannic Majesty ; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date thereof.

Now in giving up the rights of which it was in possession under the Clayton-Bulwer Treaty—and the Hay-Pauncefote Treaty specifically supersedes the former—the British Government relied on making certain of replacing them by a definite understanding respecting the two most important questions which naturally arose in connection with the new canal: the question of fortification and the question of toll charges. It was distinctly understood by the British Government that the phrase “entire equality” rendered unfair discrimination impossible; and it was not until nearly eleven years after the ratification of the treaty that the United States arrogated to herself the right to give preferential treatment to her own coastwise traffic on the plea that the expression “all nations” meant simply all foreign nations, and did not include the United States. The term “coastwise,” too, did not include merely the American coast; it included also American ports in distant countries—*e.g.* a vessel bound from the Philippines to New Orleans would, under this interpretation, be engaged in coastwise traffic, and would have the right to pass through the canal at a reduced rate.

The question of fortification is another disputed factor not yet settled. It has never been asserted

that the Panama Canal was meant to be neutral in the sense that the Suez Canal is neutral; for the neutrality of the Suez Canal is guaranteed by the Powers of Europe, whereas, if the treaties are any guidance to us, the neutrality of the Panama Canal is guaranteed by two Powers only—viz. Great Britain and the United States. As the United States, however, is to have the duty of “safeguarding” the canal, she was authorised to appoint military police. The British interpretation of the clause authorising military police is very far removed from what the Americans propose to do to defend the canal; for a definite scheme of complete fortification has been discussed and will presumably be put into practice. That this is a contradiction of the provisions of the second clause of Section 3 of the Hay-Pauncefote Treaty does not matter. As several Americans openly stated when the fortification scheme and the tolls question were being discussed in Congress in 1912, “The canal is ours, and we will do what we like with it.”

Let us consider the question of the tolls from the beginning. It is important to note, first of all, that the Hay-Pauncefote Treaty was ratified in 1901. This was the initial step in the history of the Panama Canal as it now affects us. In 1902 the American Government determined to make itself responsible for the construction of a canal, and offered to take over the work and plant of the Panama Canal Company. The company offered to sell their rights, etc., for \$109,141,500. The American Government, acting on the advice of its special commission, offered \$40,000,000, and threatened that if this figure were not accepted the Nicaragua project would be revived

and the Panama scheme abandoned. The company gave way, and sold its rights subject to the consent of the Colombian Government, from which it had obtained its concession. Official sanction was given to this plan in the Spooner Bill, passed through Congress in June 1902, by which the President of the United States was authorised to secure the property of the Panama Company for \$40,000,000, and to obtain from Colombia a strip of land not less than six miles wide through which the canal should be constructed. The President was further authorised to wait for a "reasonable time" for the approval of the Colombian Government, and, if it was not forthcoming, to investigate the Nicaraguan scheme.

Two very conflicting accounts are given of what followed. It should, perhaps, rather be said that the points of view from which the accounts are considered are conflicting; the accounts themselves do not contradict one another in essentials. After the passing of the Spooner Law, the United States, through Mr. Hay, and the Colombian minister at Washington, Dr. Tomas Herran, endeavoured to come to terms. In return for the transfer of the concession to the American Government, Mr. Hay offered Colombia \$7,000,000 in cash, and after fourteen years an annuity of \$250,000. These terms could not be called over-generous, for their acceptance meant that Colombia gave up all claim to a territory which the construction of the canal was bound to make valuable, though, on the other hand, of course, Colombia would not have been put to any expense over the canal itself. We might express the offer in different terms by saying that \$7,000,000 represented the value of the land and that the \$250,000

annually after fourteen years represented unearned increment.

Colombia was not satisfied with these terms. She hoped to make a better bargain, for it was rumoured that a German syndicate was prepared to consider the purchase of the rights held by the Panama Company. The company's concession automatically expired in October 1904, when the agreement between it and the Colombian Government lapsed. There was also a party in America which preferred the Nicaraguan scheme. It was, therefore, to the interest of the supporters of the Panama scheme, as well as to the interest of the New Panama Company, to settle the matter before the autumn of 1904, otherwise the possessions of the company and the work already done would all become forfeited to the Colombian Government. A treaty was arranged between Dr. Herran and Mr. Hay, but the Colombian Government, by "manipulating" the elections, arranged that the party returned to power just then should reject the treaty, and it was accordingly thrown out in August 1903.

In the meantime—it is now no longer denied—American money had been used to some effect in the Province of Panama; and some hostility was shown towards the authorities at Bogotá. What was alleged to be a movement of secession due to "harsh treatment" was begun by a few Panama politicians—Dr. Amador, Señor Arango, Señor Nicanor A. de Obarrio, and General Estéban Huertas are the chief names in the little revolution. M. Bunau-Varilla, who acted as chief engineer to the French Canal Company, was called in so that his advice might be taken, and the result was that early in November 1903 the

Province of Panama declared itself independent. American warships had been sent down to the Atlantic and Pacific coasts to keep order ; for, of course, the "revolt" had been directed from Washington rather than from Panama itself. It was, indeed, never satisfactorily explained why Mr. Roosevelt, who was then President, should have sent a telegram inquiring about the progress of the revolution a few hours before the revolution actually broke out ; but that is a detail. The secession was accomplished bloodlessly, only one Chinese coolie, it is reported, being killed by accident.

The American Government "recognised" the new "republic" at once. Mr. Bunau-Varilla was sent on a special mission to Washington, and, on November 18th, the Hay-Bunau-Varilla Treaty was signed at Washington. This treaty empowered the American Government to proceed with the work of constructing the canal, and extracts from its more important clauses may be given.

Article I says : "The United States guarantees and will maintain the independence of the Republic of Panama."

Articles II, III, IV, and V concern the canal itself, and are as follows :

II. The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal of the width of ten miles extending to the distance of five miles on each side of the centre line of the route of the canal to be constructed ; the said zone beginning in the Caribbean Sea three marine miles from mean low water-mark, and extending to and across the Isthmus of

Panama into the Pacific Ocean to a distance of three marine miles from mean low water-mark, with the proviso that the cities of Panama and Colon and the harbours adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation, and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal, or of any auxiliary canal or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described, and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco.

III. The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned and described in Article II of this agreement, and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

IV. As rights subsidiary to the above grants the Republic of Panama grants in perpetuity to the United States the right to use the rivers, streams, lakes, and other bodies of water within its limits for navigation, the supply of water or water-power or other purposes, so far as the use of said rivers, streams, lakes, and bodies of water and the waters thereof may be necessary and convenient

for the construction, maintenance, operation, sanitation, and protection of the said canal.

V. The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance, and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

The seventh Article of this treaty grants the United States the right to acquire any additional territory, buildings, water rights, etc., which may be necessary "for the construction, maintenance, operation, and protection of the canal and of any work of sanitation"; the eighth Article formally transfers to the United States any rights possessed by Colombia in the New Panama Canal Company "as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama"; and the ninth Article stipulates that the United States shall collect any tolls or Customs dues which may be imposed at the ports of Panama and Colon, and that only the United States shall have the power to impose any such dues. The twenty-third Article says, "If it should become necessary at any time to employ armed forces for the safety or protection of the canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all times and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes."

This formal recognition by the United States of Panama is the second stage in the question of the tolls. Clearly the United States was now the supreme Power in Central America; her full authority over the

ports of Panama and Colon rendered these places in effect her naval bases, or dockyards, or coaling dépôts. Her influence was certain to extend farther than the canal zone; and, if it did not extend far enough, it could be widened by the purchase of lands or water-courses and the like, as stipulated in the Hay-Bunau-Varilla Treaty. There is no reason why the United States should not make the Panama Canal as impregnable as the Rock of Gibraltar. Indeed, she had already made her power felt during the Panama "revolution," when her warships prevented the landing of Colombian troops to quell the insurrection. Might is right in Central America as well as anywhere else.

It was not very long before the world found that the "new diplomacy" of the United States was as capable of twisting the sense of treaties as the old. In the Presidency of Mr. Taft the Panama Canal Act passed through Congress (August 24th, 1912), and, according to Section V of this Act, the President was authorised "to prescribe and from time to time to change" the tolls to be levied on vessels using the Panama Canal. The very same section of the Act provided that no tolls should be levied on vessels engaged in the United States coasting trade passing through the canal—a phrase the wide interpretation of which has already been referred to. Further, this clause stipulated that, if the tolls charged were based on the net registered tonnage, for ships of commerce they should not exceed \$1.25c. per net registered ton; and should not be less, for other vessels than those of the United States or her citizens, than "the estimated proportionate cost of the actual maintenance and operation of the canal."

The British objection to this very much "favoured nation" treatment is, of course, based on Article III of the Hay-Pauncefote Treaty, which provides that the vessels of all nations shall be treated on terms of entire equality. The only reply to this protest so far has been the memorandum made by Mr. Taft when signing the Panama Canal Act. His contention is, in substance, that the United States constructed the canal at her own cost, and that she is, therefore, entitled, by virtue of the fact that the Republic of Panama made certain territorial and other concessions to her, to allow her own vessels to use the canal upon such terms as she herself may deem proper. Ingeniously construing Article III—Mr. Taft is an ex-judge—the President contended that Article III was adopted merely to provide a basis for the neutralisation of the canal, and to make it clear that no discrimination would be made against any foreign nation observing Clauses 2 to 6 of Article III. In addition to this, Mr. Taft, in his memorandum, claimed the right to allow American vessels to pass through the canal free of toll if the United States thought fit, for the reason that foreign governments might very possibly refund to vessels of their own nationality the tolls paid to the canal authorities. If foreign states did this—so the argument continued—and the United States were not permitted to do so, then the United States would be hampered, and would be hindered by the provisions of the Hay-Pauncefote Treaty from helping her own ships.

There is, unfortunately for Mr. Taft's clever attempt to shirk the issue, one very complete answer to what he says—I mean, of course, a complete legal answer ;

for there is no answer to guns and battleships and soldiers except superiority in guns and battleships and soldiers. The Taft argument, which is the argument always employed by the Americans when the tolls question—the third stage of which we have now reached—is raised, is based entirely on the supposition that the United States is not now bound by the Hay-Pauncefote Treaty so far as the Panama Canal is concerned, but that she is, on the contrary, dealing simply with the Hay-Bunau-Varilla Treaty of 1903. The latter treaty, however, had nothing to do with the former, and did not invalidate it in any way. Whatever may be agreed to in it respecting the relations between the United States and the Republic of Panama, the relations between England and the United States as regards the canal are explicitly dealt with in the Hay-Pauncefote Treaty, and no other.

It is a matter of sequence. If the United States had taken over the canal before proceeding to negotiate the Hay-Pauncefote Treaty, there might, perhaps, be something to say in favour of Mr. Taft's arguments. This, of course, was not the case. It has always been understood, even in the older Clayton-Bulwer Treaty, that the canal was to be a waterway for the use of all nations on equal terms. The permission accorded to the United States by the Hay-Pauncefote Treaty to have a canal constructed under her auspices is very different from saying that the United States is to exercise sovereign rights over such a canal.

Although, however, the Americans have no case, speaking from the point of view of international law, they have the best possible case from the point of view of national interest and safety; and here their

" case " is represented by naval and financial power. Examples have already been given in this volume to show how the United States has never hesitated, any more than this country or any other country, to interfere by force for the purpose of protecting herself and of developing her commerce ; and one more instance is relevant to the principle at issue which we are now discussing.

In the summer of 1912 it was reported that a Japanese company was trying to obtain fishing rights in Magdalena Bay, and that such rights were about to be granted by the Mexican Government. As the relations between the United States and Japan were considerably strained at the time on account of the Asiatic immigration question and the firm stand taken up by California, the United States came to the not unnatural conclusion that the fishing rights were simply a pretext and would be followed by the adoption of Magdalena Bay as a possible base of operations for the Japanese fleet. Alarmed by these considerations, the American Senate discussed the matter, and, on August 2nd, 1912, passed by fifty-one votes to four what has come to be known as the Lodge resolution : " Resolved : that when any harbour or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or safety of the United States, the Government of the United States could not see, without grave concern, the possession of such harbour or other place by any corporation or association which has such a relation to another government, not America, as to give that government practically power of control for national purposes."

This is sufficiently explicit : no less explicit were the statements of Senator Lodge when he moved his resolution. In one sentence he laid down the principle by which the United States was guided when she determined to become mistress of the Panama Canal : " This resolution . . . rests on the principle that every nation has a right to protect its own safety, and that if it feel that the possession by a foreign Power for military or naval purposes of any good harbour or place is prejudicial to its safety, it is its duty as well as its right to interfere." This, it should be remembered, rather than a signed treaty, is the key to the Panama problem of the future, and the basis of any subsequent negotiations which may be entered into. America ought not to discriminate in favour of American vessels ; but if she seriously proposes to do so, who shall stop her ? Not the South American republics, for they are not yet strong enough to meet the United States on the sea ; not England, who dare not risk an encounter in American waters with the German fleet at her very coasts ; not Japan, who cannot afford another war, and is, in any case, not in a position to send her fleet on an expedition thousands of miles away. An Anglo-German-Japanese combination does not yet seem to be within range of practical politics.

Assuming that a satisfactory arrangement is reached with respect to the tolls, what of the fortification of the canal ? One object in leaving such a canal as the Panama Canal neutral is to make sure that navigation through it shall not be hampered in time of war. If territorial sovereignty were admitted, and if the territorial sovereign were neutral—and it must be remembered that an admission of America's

claims would imply that she was the territorial sovereign of a non-neutral canal—it would be the duty of such a territorial sovereign to prohibit the passage through the canal of the ships of war of any belligerent; for the admission of ships of war in such a case would be equivalent to allowing belligerent troops to march through neutral land territory. If, however, the canal is, in every sense of the word, neutral, and has its neutrality guaranteed by two or more Powers, then no such eventuality can arise. Again, the non-neutralisation of the canal—which implicitly presupposes a territorial sovereign—means that the territorial sovereign can close the canal at any time he pleases and can make use of it, in the event of war, for his own purposes while denying the right of its use to other nations.

To express this in other words, under the Hay-Pauncefote Treaty the Panama Canal, with its neutrality guaranteed, would remain available for the vessels of all nations in time of war, even if the United States were one of the belligerents. If Mr. Taft's contentions were admitted, the United States, if she herself were a belligerent, would be entitled to close the canal to the ships of other nations and to use it for her own purposes. The American preparations for fortifying the canal, in spite of the provision against such fortification in the Hay-Pauncefote Treaty, seems to indicate that Mr. Taft's contentions will be upheld by a power very much superior to The Hague Tribunal—namely, the power represented by guns and troops.

CHAPTER XII

The fight for the South American trade—Influence of the Panama Canal—England's financial interests in South America.

THE fight for the Panama Canal means, in the long run, a fight for the trade of those new markets which the use of the canal will develop all along the western coast of South America. In spite of the regular lines of cargo steamers between New York or London and various ports in Chile and Peru, this western coast of South America has remained in an almost primitive condition as compared with eastern countries such as Argentina and Brazil, and has never had an opportunity of being brought under European influence. The difference which the Panama Canal would make may be judged from one typical example of distance reduction. From New York to Valparaiso, round Cape Horn, is nearly 8,600 miles. The distance via Panama is only 4,600 miles. It should further be pointed out (for most people do not carry maps of South America in their heads) that while the western coast of South America is very nearly a straight line, this straight line does not run near the same parallel of longitude as San Francisco and Vancouver. The western coast of South America is rather on a line with the eastern coast of the United States. For example, Antofagasta is almost on the same longitude as Quebec or New York, and Guayaquil is a more eastern port than New Orleans.

This is sufficient to indicate the very great differences which the Panama Canal will make in the distances between such ports as Quebec and Guayaquil, and on this account many people who have studied the problem of the Panama Canal and its commercial possibilities are inclined to think that there will be a great increase in trade between Canada and South America. It is more likely, however, that before this can happen there will be a much greater development in trade between the United States and South America; for it must be recollected that the United States is a manufacturing country on a large scale, and that Canada is not. It is said that there is as yet no engineering works in any part of South America where a locomotive can be built, but this is a want which the United States can supply much better than Canada. When, indeed, countries like Chile and Peru begin to develop, together with the smaller states like Ecuador and Colombia, which lie to the north of them, it is inevitable that their primary demands should be for machinery of all classes and manufactured articles, all of which the United States can supply and Canada cannot. Canada's essential staple is wheat, and Argentina, even in her present undeveloped state, is exporting to the Old World more wheat than Canada, and more meat than the United States. For example, in 1911 Argentina exported wheat to the value of £19,500,000; in the same year Canada exported wheat to the value of £9,100,000. A few other figures may be given by way of comparison.

The United States of America has an estimated population of 92,000,000; Argentine has a population of about 8,000,000. When we remember that

the United States has an area three times as large as that of Argentina, the figures that follow will appear all the more significant. In 1911 we imported from Argentina wheat to the value of £5,736,000, and from the United States wheat to the value of £5,249,000. In the same year we imported from Canada wheat to the value of £8,600,000—an amount which represents practically the whole of the Canadian crop. In 1911, too, the United States sent us cattle to the value of £3,000,000, bacon and ham to the value of £7,700,000, and fresh beef to the value of £397,000; Argentina sent us fresh beef worth £9,200,000, and fresh mutton worth nearly £3,000,000. If these figures are compared with those of a few years earlier, it will be found that the tendency is for us to get more and more of our vital foodstuffs from Argentina alone than from the countries on which we have hitherto relied for such products—viz. the United States and Canada. Canada's boast about being the "Empire's granary" was never at any time thoroughly justified, and in future it will be less justified than ever. The rapidly increasing population of the United States, not to mention the increasing population of Canada itself, will in time easily absorb all the wheat that the two great northern states can produce, and a good deal more besides.

The Panama Canal does not, of course, affect the shipments of foodstuffs sent to us from countries on the eastern coast of South America, such as Uruguay, Brazil, and Argentina; but it does very considerably affect our possible trade with such western countries as Chile and Peru, especially if the United States Government carries out its present intention of favouring United States trading vessels at the

expense of foreign shipping. Recent tendencies in American finance are by no means unconnected with the opening of the Panama Canal and the development of South America. The lowering of the tariff has been followed by an almost simultaneous decrease in the general cost of living and a proportionate decrease of wages. There has already been some agitation, principally among railway-men, over the decreases in wages—a factor which has prevented the working classes from benefiting adequately by the reductions in the tariff; but the entire significance of what is likely to follow upon such wage reductions has not been grasped, even in America.

Hitherto, when the United States has been competing with England in the world market, England has more than held her own, in spite of the American practice of lowering the prices of goods “dumped” abroad. The American tariff made the general cost of living higher than it was in England; and, even in those few trades in which the wages of unskilled American workmen had sunk to subsistence level, the cost of production was still higher than in this country. In future the tendency will be for the cost of production in America to fall to a figure approaching the English level, and this, of course, will make the United States a much more formidable competitor in foreign markets.

As Sir Walter Raleigh said more than three centuries ago, “Whosoever commands the sea, commands the trade of the world; whosoever commands the trade of the world commands the riches of the world, and, consequently, the world itself.” This is a principle which should be exemplified in the Panama Canal; for the Power that com-

mands the Panama Canal will have a very great strategic advantage in the Atlantic and the Pacific over any Power to which the canal is closed. In the struggle for the South American markets, therefore, the Americans start with one very great advantage over the two other chief manufacturing nations of the world by controlling the only available sea route through which the new South American markets can be exploited. The protection of our trade routes is almost as important a task for our naval forces as the actual defence of our shores; and our possession of strategic points such as Gibraltar and the Suez Canal shows how jealously we have kept our trade routes open hitherto. It is entirely nonsensical to think that the time will never come when we may have to fight for the possession of Panama or Colon as we have fought in the past for Gibraltar, Egypt, and the Soudan.

That this is not an altogether baseless conjecture is sufficiently seen in the action of the American Senate in 1912, which, after a prolonged discussion, mutilated and rejected the proposed arbitration treaties with this country and France. The Senate Committee on Foreign Affairs is a body whose advice on all matters appertaining to foreign politics must be taken, and I have already mentioned how this body has in former years exhibited a hostility to arbitration treaties which was not at all in keeping with those professions of peace, friendship, and harmony which we have heard so often from the lips of less responsible American politicians.

In spite of trading combinations and enlarged experience, the tendency to over-production is so great all over the world that this one factor alone would

induce capitalists to seek new markets for their enterprises, even if business competition between large countries did not exist. Both factors, however, must inevitably result in a fierce struggle between England and the United States for the trade of the southern half of the western continent—a continent which is only now beginning to develop. We may, in this instance, leave Germany out of the reckoning; for, although German interests in South America are many, Germany is not yet in a position to compete for the trade on equal terms with the United States and England. She cannot turn out the quantity of the former country or the quality of the latter. It need not be supposed that the competition for this trade will be of a friendly or peaceful nature. The same principles that urged the Japanese to colonise Korea, and that led the Turks to become the masters of the Moslem races in Asia Minor, will underlie the competition for the South American trade.

The capitalist at the head of an enterprise can be just as ruthless in his methods as the chief of a tribe at the head of his followers. Diplomatic notes will not alone suffice to overcome difficulties; for the force at the back of diplomatic notes is simply the strength of the armies and navies of the negotiating Powers.

With the lowering of the tariff the United States hopes to be in a position to compete with Great Britain on fairly equal terms for the trade of the Latin-American countries. There are, however, other ways in which capital can be used in connection with Central and South America. At the close of 1912—we may take the figures of the *South*

American Journal to be as accurate as it is possible to make them—English investors held Latin-American Government securities to the value of £300,075,675. Of this sum the Argentine Government was responsible for £78,967,966, Brazil for £106,025,690, Chile £33,650,880, and Mexico for £27,413,630. In addition, our investors were interested in Central and South American railways to the extent of £431,253,732—Brazilian lines accounting for £51,223,679, Argentina for £201,734,494, and Mexico for £101,436,789. Further, ordinary commercial houses of all kinds were financed from this country to the extent of £175,939,530, of which sum £49,188,340 was invested in Argentina, £53,850,426 in Brazil, and £28,078,140 in Mexico. Our investments in the smaller states were in proportion, and in all cases we are much more heavily interested than the United States. The banking business of the southern continent is almost entirely in the hands of English firms.

Although we are still so enormously interested, from a financial point of view, in the South American countries, we are not proportionately retaining our lead. In recent years the United States has made great efforts to reach our level, and Germany, although working on a much smaller scale, is vigorous and aggressive. I refer particularly to the amount of Government stocks held in London, because American financiers, having attempted to regulate trade through their Tariff Bill, are now attempting to regulate finance through the Currency Bill. Hitherto the Americans have not ventured to interfere in any marked degree with our financial holdings in the south. They will in future become as strong financial

competitors of ours as they are at present commercial competitors.

How do Central America and South America view these proceedings? It is admitted, even by Americans themselves, that recent developments in the interpretation of the Monroe Doctrine, and in American expansion at the expense of Spain, have greatly perturbed the Latin countries of the Continent. In his book on the Monroe Doctrine already quoted, Dr. Bingham refers to the formation of an "A.B.C. Alliance" (Argentina, Brazil, and Chile) to combat American pretensions in the south; and such an alliance is a much less impracticable political proposition than might be imagined. A high reputation for commercial integrity has always distinguished English merchants and financiers in their dealings with South America, and they are, accordingly, respected and well liked. The same cannot be said of the merchants from the United States. Every South American detests the "Norteamericano," and the recent actions of the northern power certainly give him good reason for doing so. "We are still woefully ignorant of the actual conditions in the leading South American republics," writes Dr. Bingham. "Is it not time that we began to realise why it is that to the inhabitants of those countries the very idea of the existence of the Monroe Doctrine is not only distasteful, but positively insulting? . . . The leading Powers of South America are abundantly able to take care of themselves, and are in a position to laugh at the old Monroe Doctrine. If these Powers dislike and despise our maintenance of the old Monroe Doctrine, it is not difficult to conceive how much more they must resent the new one. The

very thought that we, proud in the consciousness of our self-righteousness, sit here with smiles on our faces, ready to chastise any of the American republics that do not behave, fairly makes their blood boil."

Here is one example of how a South American Republic looks upon the United States. The extract I give is, incidentally, an indication of feeling in Colombia over the Panama Canal transaction, and may be compared with the American version already given. When Mr. Roosevelt recently undertook a lecturing tour in the South American republics, the Consul-General of Colombia at Buenos Ayres communicated with the Colombian minister in Chile with regard to the attitude which should be adopted by the representatives of Colombia in Argentina towards the distinguished visitor. In reply to his inquiries he received the following communication from the minister of the Colombian Government:

"As Mr. Theodore Roosevelt, ex-President of the United States, who is now travelling in the republics of South America, is receiving such hospitality as necessitates the presence of diplomatic representatives, I have deemed it prudent to ask the Colombian Government if, when its representatives abroad receive an invitation for any of these functions, they should add to the apology for their inevitable absence some of the reasons that make it necessary for every Colombian to take no part in any hospitality or honour rendered to Mr. Roosevelt. The Minister for Foreign Affairs has given his formal approval to the scheme submitted to him, and has authorised it to be made known that in the event of any such

invitation being given, no representative of Colombia can be present at any festivity in honour of the principal author of the spoliation of Panama, who has boasted in published documents of his share in the dismemberment of this Colombian territory.

"Although the facts which make this attitude necessary are well known to you, I will take this opportunity of summarising them briefly :

"In 1846 the United States of America and New Granada (now known as Colombia) concluded a treaty of peace and friendship which granted special advantages and privileges to the United States in all matters appertaining to transit by the Isthmus of Panama ; and Article XXXV of this treaty established the following principle : ' For the security of the tranquil enjoyment of these advantages, and in return for them and for the benefits acquired by Articles IV, V, and VI of this treaty, the United States positively and effectively guarantees to New Granada, by the present stipulation, the entire neutrality of the Isthmus mentioned, so that at no time while this treaty is in existence shall freedom of transit from one ocean to the other be interrupted ; and, consequently, the United States guarantees in the same way the rights of sovereignty and ownership which New Granada holds and possesses over the territory in question.'

"In January 1903 the Secretary of State of the United States of America and the Minister of Colombia in Washington appended their signatures to a treaty regarding the construction of the canal which was to connect the Atlantic with the Pacific through the Isthmus of Panama ; the sovereignty and ownership of which province Colombia had had

guaranteed to her by the treaty of 1846, already referred to. The final clause of the treaty signed in 1903 laid it down that 'Once this treaty is signed by the contracting parties it shall be ratified in conformity with the laws of the respective countries. The Government of the United States will therefore submit it to the Senate for approval and the Colombian Government will submit it for the approval of Congress.'

"As was only natural in a matter which brought with it decisive issues for the political and economic future of the country, a lengthy debate was started in Colombia on the clauses of the treaty submitted for the consideration of Congress in order that the legislators might decide upon the modifications which the interests of the country and the Constitution rendered advisable; for so far as the project for the construction of the canal was concerned Colombia, far from raising difficulties, showed on this occasion, as on previous occasions, a genuine desire to facilitate the carrying out of the great work which, while serving the interests of world-wide commerce and civilisation, would be of advantage to the progress and expansion of the soil and wealth of the Republic of Colombia. An evident proof of this is to be found in the extensions repeatedly granted to the French Canal Company—first until 1892; secondly, until 1898; thirdly, until 1904; and, finally, for a period which was to come to an end in 1910.

"The Colombian Senate had barely begun to discuss the treaty signed at Washington when, on June 13th, 1903, the United States minister at Bogotá sent an official note to the Colombian Minister

for Foreign Affairs to inform him that 'if Colombia refuses to pass the treaty, or indefinitely postpones its ratification, the friendly relations existing between the two countries will be so seriously compromised that the American Congress will be obliged, in the course of the coming winter, to take measures which every friend of Colombia would view with sorrow.'

"The treaty submitted to the Senate contained clauses which did away with the sovereignty of Colombia over a zone in the Isthmus; and both in the Press and in Congress views were expressed to the effect that, as such a renunciation of sovereign rights was contrary to the Constitution, it would be necessary, before the treaty was passed, either to modify some of those clauses or to alter the Constitution itself in a way that would permit the rights in question to be given up. Thereupon the minister of the United States at Bogotá, under date August 5th of the same year, notified the Colombian Government that 'Any modification introduced into the clauses as set forth in the treaty would be regarded by the United States as a violation of the convention agreed upon—a violation which would bring in its train the greatest complications in the friendly relations existing between the two countries.'

"This note from the American Legation was a virtual ultimatum, and was itself a violation of the stipulations in the signed convention to the effect that it would have to be ratified 'in accordance with the laws of the respective countries.' The Colombian Senate, under the pressure of this threat, and seeing that it would be useless to discuss even the proposed modifications to the treaty, unanimously rejected it. In order to show, however, that this decision

was not meant to close the door to a later agreement, the Senate gave instructions that negotiations should be re-opened on a basis more in harmony with the national institutions and interests of Colombia.

"Several weeks later a rumour was spread that a separatist movement was taking place in Panama, not only with the knowledge but with the assistance of high official personages in the United States of America. The Colombian Government put its trust in the public faith of the United States, who had pledged herself by the treaty of 1846 to guarantee to Colombia the sovereignty and ownership of the Isthmus of Panama; but, in order that the public peace might not be disturbed in any way, sufficient forces were sent to Panama to overcome any possible attempt at revolution.

"On November 1st, 1903, three United States warships cast anchor on both sides of the Isthmus—viz. at Panama and Colon: they were the *Boston*, the *Dixie*, and the *Nashville*. On November 2nd Admiral Glass, the commander of the *Dixie*, received orders from the United States Navy Department to prevent the disembarkation of the Colombian troops; and when, on the morning of the 3rd, a rifle brigade, sent by the Government of Colombia, wished to travel from Colon to Panama by train, they were prevented from doing so by the commander of the *Nashville*, who landed American troops for the purpose. At six o'clock in the evening of the same day, as the result of the bribery of the military governor, the movement broke out which resulted in the city of Panama proclaiming the secession of the Isthmus.

"If the measures taken by the Government of

the United States permitted the revolutionaries to become masters of the cities of Panama and Colon, the American Government's haste in recognising the insurrection was the complement of the plan agreed upon. Seventy-two hours afterwards the Government of the United States entered into official relations with the separatists. Four days afterwards, on November 7th, a foreigner of French nationality, M. Philippe Bunau-Varilla, notified the Government at Washington of his appointment as Minister-Plenipotentiary of Panama, and on November 13th he was officially received. At this time many of the towns and villages in the Isthmus had scarcely heard the news of the movement which had been carried out in the city of Panama. On the 14th of November the final measure, which made the spoliation an assured fact, was notified to the Colombian Government by the American Legation in the following words: 'I beg to inform you that I have just received telegraphic instructions from my Government in which it states that it does not think it opportune to permit Colombia to disembark troops in the Isthmus.'

"Being powerless to take counter-measures against these designs of the United States, Colombia has been compelled to limit the defence of her rights to a persistent and continual demand for justice at Washington. The facts I have related—there are aggravating circumstances which I omit in order to get this communication away quickly—form the basis of the complaints made by Colombia against the Government of the United States: viz. that the conduct of ex-President Roosevelt in 1903 violated the treaty of 1846 because it rendered the neutrality

agreed upon null and void, and permitted the outbreak of an insurrectionary movement which, as the subsequent appearance of events has demonstrated, was carried out with the co-operation of ex-President Roosevelt. It was Mr. Roosevelt himself who made the following statement in phrases which constituted a finished model for the apologists of force as the supreme arbiter in international relations. 'I am interested,' said Mr. Roosevelt, speaking at the University of California, 'in the Panama Canal. I started it. If I had followed the traditional conservative methods, I should have submitted a dignified state paper to Congress, and the debate would have been going on yet; but I took the canal zone and let Congress debate, and while the debate goes on the canal does also.'

"I may add that as public opinion in the United States became more and more familiar with the dishonest means which were put in practice to carry out the dismemberment of the canal zone, people gradually became more strongly convinced that some reparation was due to Colombia for the insult and damage thus inflicted. Voices were even heard in the Washington Senate begging that the claims presented by Colombia since 1903 might be considered, and the last diplomatic representative accredited to Colombia by the Taft Administration did not hesitate to suggest that his country should either accord Colombia the satisfaction due to her or make arrangements for the two states—the powerful state in North America and the weak state of Colombia—to appear before The Hague Tribunal in order that it might decide whether the treaty of 1846 entered into by the two republics had been really and faith-

fully observed, or whether the sacred stipulations contained in it had been violated by the acts which paved the way for the revolution in Panama and prevented Colombia from maintaining her sovereign rights over her possessions in the Isthmus.

"Mr. Robert Bacon, in behalf of the South American republics, has recently carried on an eloquent and much applauded propaganda in favour of conciliation and arbitration as a means of deciding the differences which have arisen in our international life. Conciliation and arbitration presuppose that the state which commands the greater amount of material force will not turn a deaf ear to the complaints formulated by the aggrieved but less strong state, merely because the latter lacks the power to secure for her representatives anything but indifference—an indifference which cannot be shown towards those states which can back up their diplomatic communications with armies and navies. If conciliation and arbitration are at any time imposed as a moral obligation, they are imposed precisely when two states whose powers are equal find themselves face to face.

"Colombia holds the firm hope that in this conflict, so painful to her as it is, justice will at last be done. Contrasted with the policy of conquest and violence practised towards Colombia by the Roosevelt Administration, and praised by him when he said that instead of presenting the state documents to Congress for consideration he had simply taken over the canal zone and let the debate continue, there is the policy of civilisation and genuine Americanism, the policy of Washington and Lincoln, expressed by Vice-President Marshall, on July 4th, 1913. He

said, after he had been inaugurated, that a high sense of honour constituted the armour of the American people, and that neither armies nor navies could be substituted for it."

As we know, justice has not been done to Colombia ; and the same injustice is now being done to Mexico by the Democratic Administration of Dr. Wilson. The main factors of the Mexican affair are easily summarised. A revolution in the autumn of 1911 drove President Porfirio Diaz from an office which he had held as Dictator since 1876. General Madero was appointed President, was deposed by the army in another revolution which broke out on February 9th, 1913, and was murdered, together with the former Vice-President Suarez, on February 23rd. General Huerta was then appointed Provisional President. Several strange allegations were made at the time. It was asserted, for example, that President Diaz was no longer able to control the Mexican concessions, which, as a rule, he had distributed with a fairly even hand, that President Madero favoured the Standard Oil Company,* and was largely supported by American capitalists interested in Mexican oil concessions, and that General Huerta was favourable to the British interests. Several Washington papers actually stated that the great engineering firm of Pearson & Sons was financing the Huerta Administration and encouraging his Government to oppose the American proposals for the "reformation" of Mexico—a statement that was at once most emphatically denied by the firm in question, though it was admitted that Messrs. Pearson had large interests of many kinds in Mexico.

The desire of the Americans to "reform Mexico "

is an instance of the self-righteousness mentioned by Dr. Bingham. Some of the official statements issued at Washington certainly give it to be understood that the United States looks upon herself as the natural mistress of the turbulent countries in Central and South America. The American Government, one statesman said, would not permit any troops or sailors except her own to be landed for the maintenance of law and order; any protection necessary would be provided by the United States. The United States, we were told, would adjust any disputes between Mexico and foreign countries; the United States would not permit General Huerta to be financed by any European group of capitalists; the United States would starve the Mexican Government into financial submission; the United States would assist the rebels under General Carranza with arms and ammunition so that they might depose General Huerta; the United States would, if necessary, send a force into Mexico to keep order.

This was the new Monroe Doctrine, the third and latest development of the original scheme. The United States Government wishes in future to exercise tutelary powers over the whole continent—a view which senator after senator has put forward. Quite unconscious of the ridiculousness of any such scheme, the Americans firmly believe that the Almighty has intended them to rule and guide the footsteps of their erring brethren in the Latin countries. The United States, in consequence, looks upon Central and South America as her natural protectorate; she will not allow European Powers to colonise or to finance these countries, and she professes herself in return willing, not only to make the

minor republics pay their debts, but to assume the responsibility for the maintenance of law and order.

Even if the European and Latin American Powers were prepared to agree to these preposterous claims—which is certainly not the case—the responsibility for the maintenance of law and order, and for the guaranteeing of Central and South American Government bond payments, is not one which the United States is capable of assuming. Throughout the rebellion against General Huerta, which is still in progress as these lines are being written, the American Government has not been able to take any steps even towards penetration, much less towards acquiring that very complete command of the country which the responsibility referred to would necessitate. The control of Mexico would call for the employment of a military force such as the United States does not at present possess, and is not likely to obtain except when some great national emergency arises.

CHAPTER XIII

Conclusion—Literature and art in America—Mark Twain—Walt Whitman—Bret Harte—Lincoln—Whistler—Architecture—Latin *versus* Teuton.

THE end of Republican dominance came with the election of Dr. Woodrow Wilson in 1912 and his inauguration in March 1913. It is not without significance that Dr. Wilson, although fully entitled to use this title, prefers to be called plain "Mister" in the United States; for the bulk of the people are still suspicious of a man of learning; he may not be "practical." In previous chapters I have touched upon the main problems of international importance to which the Wilson Administration will have to give its attention; but there is one more with which, I fear, neither it nor its successor will be able effectively to deal. In recent years the emigrants from Europe who have landed at American ports have been very different from the Anglo-Saxon or Teutonic stock who populated and developed the United States in the earlier stages of her history. It is still customary for Americans to speak of the great capacity of their country for "assimilation," and there is no doubt that until recent years the immigrants were "assimilated"—but to what? Not to a definite type of people; but simply to types resembling themselves—German to German, English to English, Dutch to Dutch.

The next scene in the drama of American immigration—a wonderful drama it is, this discharging of a million souls a year into a new country—will be different. The Dutch, the English, and the German races cannot “assimilate” the Croats, the Poles, the Russians, the Italians, and so forth, who have recently been pouring into the country in large numbers—they represent about three-fourths of the immigrants. The old faculty of assimilation has gone. Even if we put the negroes aside there is no hope, no prospect, of a uniform white race in America. A country may make shift to settle down to political unity, because economic considerations have the effect of bringing together men with something to lose, though not necessarily men with something to gain (the American capitalists are united; the American workmen are not). Before the nation can be really united, however, it must produce something which is spiritually national; and for this there must be a spiritual unity resulting from a slow process of national growth. All the “effete” peoples of Europe have passed through this phase of development; every European country has its outward manifestation of the artistic instincts which have come to maturity after the lapse of generations. There is no mistaking the nationality of Goethe, of Machiavelli, of Voltaire, of Milton. This is a stage of growth at which the United States has not yet begun to arrive. The Spanish countries of South America are as emphatically Spanish as Brazil is Portuguese. The old legends, the familiar idioms, have suffered nothing by their transfer to a new land. Juan Valera, in his “*Cartas Americanas*,” was satirically cruel to the young literary men of the South American



THE SAN FRANCISCO MOUNTAINS.

continent; but those young men were simply immature. They were none the less Spanish on that account.

The United States, on the other hand, possesses no definite artistic character at all. The Teutons, Celts, and Anglo-Saxons there have created no individual works of art, and they have not yet mingled and intermarried to the extent of creating an American nation which could create some work of art for itself. The literature we find in the Colonies before the revolution is purely English, though commonplace. Franklin was its best representative; and what more can be said about it? With the revolution there was no hope for any of the fine arts at all. Every province had been rudely disturbed; and nobody had the leisure for reflection and meditation. We shall find in the United States, if we think it worth while to take the trouble to do so—I am far from encouraging the reader to enter upon the task—a relatively large number of writers, painters, and sculptors of the third or fourth class; but very, very few artists who can be called distinctively American. Indeed, the country itself lacks an adjective. It has become customary to use the term United States with a singular verb and to call the inhabitants Americans, in distinction to other “Americans” such as the Canadians, the Brazilians, etc., but this is, after all, merely custom. It was not custom alone that led to the people of England being called Englishmen.

I have been looking for some years for a few distinct types of great typical Americans—artists. It has not been for want of zeal that I have been able to find only two or three. There is only one man typically American in the sense that Torquemada is

typically Spanish or Bismarck typically German. That man is Abraham Lincoln. There are only three writers who are sufficiently national in their work to be called typically American; and in them the "national" level is not long maintained. I refer to Walt Whitman, Mark Twain, and Bret Harte. Poe, Emerson, Bryant, Longfellow, Channing, are all as English as George Washington and Alexander Hamilton. There is only one painter who can be called American; and he is American less for what he painted than for what he wrote. This man is Whistler, a great part of whose youth was spent in St. Petersburg, and whose manhood was spent in France and England.

In truth, everything is against the artist in America—not merely the obstacles raised by a whole nation which (taken generally) prefers money to anything else, but the essential, primitive obstacle of the land itself. The vastness of the place is overwhelming. One has a feeling, not in an irreverent spirit, that God could reduce its chaos to order; but before a man could do so he would require an unusually intensified inspiration. Lincoln is so American because he has arranged the vastness of his country in order. The whole aspect of the man—his wiry but powerfully strong frame, his bony hands, his thin, tense face—indicates the victor and not the victim of circumstances. And what circumstances! When the monument was dedicated on Gettysburg battlefield to the glory and remembrance of the northern soldiers who had fallen there, orator after orator delivered himself of an address; and the celebrated Edward Everett spoke for two hours or so, indulging in his favourite gesture of dropping his

handkerchief from one hand into the other. Long, prosy harangues have always been characteristic of American speakers; and most of the American Ambassadors to London cannot be excluded from this criticism. Lincoln spoke for five minutes at Gettysburg; and as I have already referred to this famous speech I may be allowed to quote it:

Fourscore and seven years ago our fathers brought forth upon this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting-place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

But in a larger sense we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far nobly advanced. It is rather for us to be here dedicated to the great task remaining before us; that from these honoured dead we take increasing devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people, shall not perish from the earth.

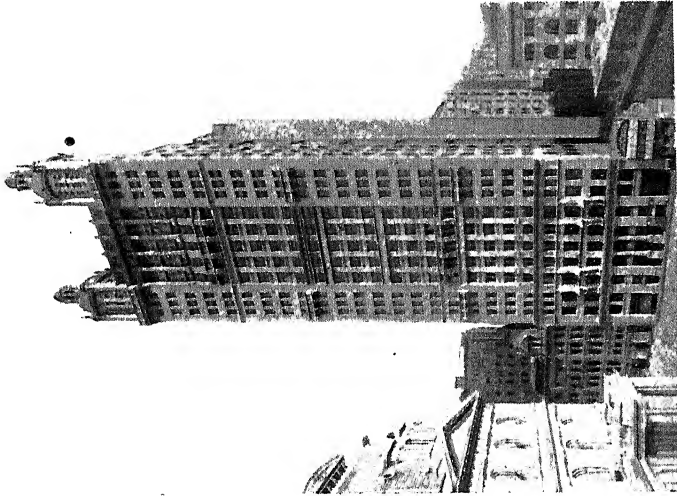
This is a noble address—the language of a man whose ability to sum up what he thought in sentences that sounded like pistol-shots was the result of the hardest and most bitter of personal experiences.

Of Bret Harte, Mark Twain, and Whitman there is less to say. Bret Harte's mining-camp stories are thoroughly American; when he left the mine and the camp and aimed at fine writing he was less in his element. The same criticism applies to Mark Twain, whose Huckleberry Finn is almost as American as Lincoln himself, but whose religious and artistic dissertations are so little "national" that we can parallel them in the London weekly reviews at any time. Mark Twain, too, shows in a great degree certain marked characteristics of the American which have been so happily summed up by one of our most scholarly dramatic critics (Mr. John Palmer, in the "Saturday Review" of January 17th, 1914) that I take pleasure in quoting his words:

Judging from their plays and their Press the American public is more sentimental than the English; but their sentimentality is less disgusting. Englishmen are only sentimental after a heavy meal; the American is sentimental before breakfast. . . . The charm of the Americans is that they are still able to discover and to enjoy things that were long ago exhausted in Europe. Anybody who has heard an American quote from Tennyson will know what I mean. The intellectual world is still quite new to them.

Every reader of American literature will appreciate the aptness of this criticism.

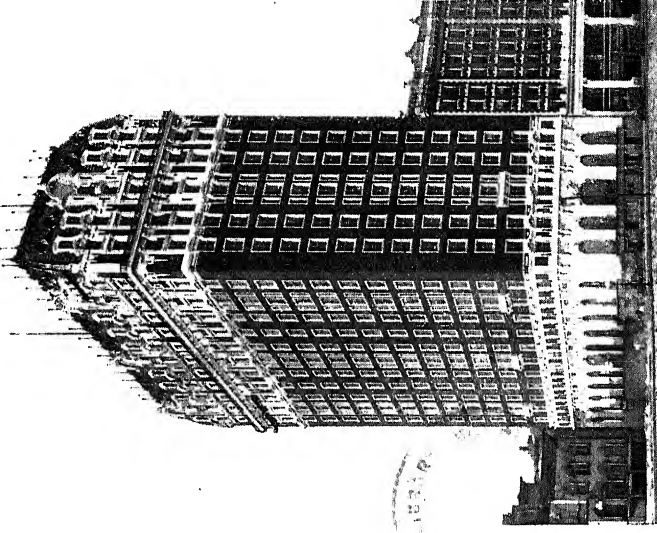
Whistler was Lincoln in art; but Lincoln with far less strenuous trials and experiences of life. Whitman and Twain were overcome by the spiritual



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disorder in which they found themselves ; Whistler and Lincoln tried to master it. In all his pictures Whistler aimed at selection, the discarding of what was unessential, as Lincoln did in his letters and speeches. Lincoln's instincts were surer ; Whistler reasoned rather than felt ; and he reasoned so well that he committed theories of painting to paper—a very hazardous thing for a painter to do. Mr. Max Beerbohm was, I think, one of the first (in "Yet Again") to draw attention to Whistler's powerful English style, so powerful that it illustrates the defect of Whistler's art, his emphasis on the mechanical. When he says, for example, under the heading of "Propositions"—

That, in Art, it is criminal to go beyond the means used in its exercise.

That the space to be covered should always be in proper relation to the means used for covering it.

The one aim of the unsuspecting painter is to make his man stand out from the frame—never doubting that, on the contrary, he should really, and in truth absolutely does, stand within the frame—and at a depth behind it equal to the distance at which the painter sees his model—

he is elevating technique beyond vision. The application of these "propositions" to Whistler's own work often resulted in a pseudo-Rembrandt—Rembrandt brought up to date by the use of slide-rules and Birmingham wire-gauges.

In architecture the Americans have been more fortunate. In the erection of skyscrapers they have at least had designers who could adapt means to

ends. The results were, at first, hideous; but recent twenty- or thirty-storey buildings show harmonious and well-proportioned outlines. There are few clumsy structures in America such as our Piccadilly Hotel, or our new War Office, or any other of the numerous ugly buildings in London with those useless pillars, which, supporting and supported by nothing, lie propped up outside between the first and second stories.

This, however, is not enough, and before the United States can become a united nation much greater development will be required. We shall have to look for that fusion of like races, with the predominance of one superior type, which has resulted in the evolution of European nations. Such races, from two parent stems—the Spanish and the Portuguese—are already forming in South America. It is true that there are thousands of Italian immigrants, and that there is a large German colony in Brazil which the German Government is said to be anxious to “protect”; but the fact remains that South America is Spanish and Portuguese. North America is vague and indefinite; for even in Canada the intellectual and social life of the country is swayed by the French-Canadians. It would appear, therefore, that we may expect to see a mature South America before we see a mature North America. To psychologists and to students of race-problems this is a matter of profound interest. To the inhabitants of the United States of America it is likely to prove a disconcerting factor before the tale of the present century is told.

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